

Ansafone advertisement: Let Ansafone answer your phone From £1.25 per week

Northampton offices and sites advertisement: L Austin-Crowe 0604 34734

Advertisement for Smith: help us achieve... Smith

Advertisement for F.T. Government Securities Index: New rise in gilts; equities up 1.8

Advertisement for Bank of England: BANK of England is expected to keep Minimum Lending Rate at 12 per cent.

Advertisement for Irish oil licences: IRELAND is angry over Britain's allocation of offshore oil exploration licences

Advertisement for a criminal: Edward Clarke, QC, told path of 17 who admitted having a 15-year-old girl

Table of price changes: IEF PRICE CHANGES YESTERDAY. Includes sections for RISES, FALLS, and COMPANIES.

As Gormley warns: Labour could lose next election

Third phase of pay restraint inevitable says Callaghan

BY CHRISTIAN TYLER, LABOUR STAFF. The Prime Minister yesterday countered a rising tide of shop-floor opposition to any further wage restraint by insisting that a third phase was "inevitable" and that failure to agree it would mean a vastly increased rate of inflation.

Labour may seek abolition of Lords at next election

BY RUPERT CORNWELL LOBBY STAFF. THE LABOUR PARTY is set to go into the next General Election pledged to abolish the House of Lords.

Order against property developer

BY QUENTIN GURDHAM. A RECEIVING order for £280,000 has been made against Mr. Ramon Greene, the property developer, who in 1975 made £8m. in a deal with bte Post Office pension funds.

German court ban halts N-programme

BY NICHOLAS COLCHESTER. BONN, Feb. 10. THE WEST GERMAN nuclear energy programme has effectively been brought to a halt until the country can decide where it will bury its spent nuclear fuel.

Essential

Mr. Healey has the problem in fixing the Budget date that the Easter recess effectively rules out any date between March 29 and April 19 for the post-Budget Commons debate.

Features

Table of features: Portuguese PM due in London, S. Africa and Rhodesia Politics To-day, etc.

On other pages

Table of other pages: Labour News, Leaders Articles, etc.

Advertisement for North West Industrial Development Association: Come one-stop shopping for North West facts. One highly professional and completely objective data source for the whole of North West England.

LOMBARD

Controls without backlash

BY ANTHONY HARRIS

ASSUMING that monetary policy is governed by a measure of money which is not inherently likely to misbehave (see this column on Thursday), what is the best method of controlling it? It is on this subject rather than on the measurement of the money supply itself that most of the new thinking is going on; and while no one will even suggest that M3 is a sensible place to start, better control methods would certainly help to remove some of the imperfections of M3 itself.

Imagine

More radically, though, imagine that the banking system held as its reserves the kinds of top-quality liquidity which is the true basis of its operations—cash and balances with the central bank and the money market. The result would be that at times of strain, when the banks were running near the limit of their official expansion, they would be pushed into selling investments—pulling liquidity in from the private sector—rather than stampeding to buy bills and short gilts, pulling money in from other intermediaries (including the discount market) and actually increasing the liquidity of holders outside the system.

Misplaced

Now few of the thoughts here are especially new (though I am not sure how much attention has been paid to the significance of the public sector's low demand for money); so how did we get such an unnecessarily complicated system in the first place? The answer in 1971 was much the same as it was more than 40 years ago, when it was first decided that Treasury bills should be reserve assets of the banking system: the Bank's feeling of responsibility for the discount market.

I believe that a lot of the fear here is misplaced. The Bank also used to believe that the whole City depended on the reserve status, in another sense, of sterling; and surely as long as banks still trade in a hierarchy of liquid assets, and the Government requires large bill issues, there would be a place for the houses. The City works best when it is selling expertise, not privileged status.

RACING

Miss Normandy is day's best

IN SPITE of the loss of Newbury winner, Skymas, at Ayr on his seasonal debut towards the end of the waterlogged state of the course there may be racing today at Kelso, where a course inspection was due at 7.00 a.m.

- KELSO
12.45—Captain's Table
2.15—Sea Coat
2.45—Miss Normandy***
3.15—Sebastian V*
4.45—Game Laddie
7.15—Great Echo**

Of November, has since finished in the frame in useful company at Catterick again at Ayr; Cheltenham and Warwick.

BY DOMINIC WIGAN

If he can reproduce the form which saw him running the highly-weighted Cornish Princess in a neck in the National Chase his last appearance Sebastian V will probably get back on the winning trail. I take him to gain another well-deserved success as the chief expense of the veteran Liniger.

TENNIS

Champions for Earls Court

LONDON will have a new tennis venue at the end of March when the \$100,000 World Championship Tennis tournament commences at Earls Court.

BY JOHN BARRETT

Sun Life backs world tourney

SUN LIFE Assurance Society is to sponsor the men's indoor international hockey tournament at the Whitechurch Sports Centre, Bristol, at the end of this month.

Saleroom BY ANTONY THORNCROFT

London dealers snap up silver

LONDON DEALERS were out in force at Sotheby's silver sale yesterday, which totalled £142,979 with less than 2 per cent bought in.

Perseus armring was on target at £1,500, going to the Fine Arts Society. A Russian bronze group of a Cossack made £2,500, double the estimate.

F.T. CROSSWORD PUZZLE No. 3303

Crossword puzzle grid with numbers 1-30 and letters A-Z.

- ACROSS
1 Dad's attempt to make pleasure (6)
4 Bellite car going by motorway to the south-east (8)
10 One who tells about appearing in Spain for mantilla (9)
11 Grid left inside overleaf (5)
12 Drum used for a dance? (4)
13 Mint producing regal coin? (10)
15 Spear I'd put in river? (7)
16 Snake goes to the east to slip away (6)
19 Go back to fish making amorous glances (6)
21 Alien or hybrid creating a flap (7)
23 Currency going to Oriental board is saleable (10)
25 Poke fun with a musical snail? (4)
27 Losen a French cravat (5)
28 I'm raising dough and getting better (9)
29 It appears in her time as a legacy (8)
DOWN
1 Convent accepts it in preference (8)
2 Often having to sing about tending doves (9)
3 Unicorn and not very well done (4)
5 Concentrated partly in ten seconds (7)
6 Notify friend without ceremony (10)

LONDON

9.30 a.m. Schools Programmes. 12.00 Keith's Quiz. 12.10 p.m. Rikkyo House. 12.30 Radio 4. 1.00 p.m. News. 1.30 p.m. News. 1.50 p.m. News. 2.00 p.m. News. 2.15 p.m. News. 2.30 p.m. News. 2.45 p.m. News. 3.00 p.m. News. 3.15 p.m. News. 3.30 p.m. News. 3.45 p.m. News. 4.00 p.m. News. 4.15 p.m. News. 4.30 p.m. News. 4.45 p.m. News. 5.00 p.m. News. 5.15 p.m. News. 5.30 p.m. News. 5.45 p.m. News. 6.00 p.m. News. 6.15 p.m. News. 6.30 p.m. News. 6.45 p.m. News. 7.00 p.m. News. 7.15 p.m. News. 7.30 p.m. News. 7.45 p.m. News. 8.00 p.m. News. 8.15 p.m. News. 8.30 p.m. News. 8.45 p.m. News. 9.00 p.m. News. 9.15 p.m. News. 9.30 p.m. News. 9.45 p.m. News. 10.00 p.m. News. 10.15 p.m. News. 10.30 p.m. News. 10.45 p.m. News. 11.00 p.m. News. 11.15 p.m. News. 11.30 p.m. News. 11.45 p.m. News. 12.00 p.m. News.

Table with multiple columns containing financial data, likely stock prices or exchange rates, with headers like 'SOUTHERN', 'WESTWARD', 'YORKSHIRE', 'BBC Radio London'.

KENYA AIRWAYS announces the introduction of flights to KENYA. EFFECTIVE 4th FEBRUARY 1977. Departures from London Heathrow Airport Daily at 19.00 hrs. Flights also operate to the following destinations with full traffic rights: FRANKFURT, ROME, ATHENS, ZURICH. For reservations and further details please contact: KENYA AIRWAYS, c/o KENYA TOURIST OFFICE, 13 NEW BURLINGTON STREET, LONDON W.1. Tele: 01-839 4477.

Notice of Redemption. Corning International Corporation. 8 1/2% Guaranteed Sinking Fund Debentures Due March 15, 1986.

Table with multiple columns containing financial data, likely stock prices or exchange rates, with headers like 'SOUTHERN', 'WESTWARD', 'YORKSHIRE', 'BBC Radio London'.

IRW... introduced... YA... FEBRUARY... ON STREET

Battle scarred

by NIGEL ANDREWS

mined with explosives and a Russian women's mortar platoon — but to confront Stransky at the firm's close with a lesson in morality — more mischievously effective (and less bloody) than any so far inflicted on a Peckinpah villain.

The usual critical squeals and groans will no doubt greet the film. In the battle scenes Peckinpah deploys a violence no less seismic and remorseless than in his earlier work, although spurting bullet holes and pirouetting gunfighters are here replaced by the infernal imagery of war; soldiers buried into lurid skies, bodies flung sickeningly against barbed wire, startled faces, shattered limbs, all the nightmare dislocations of war.

But those who accuse Peckinpah of gratuitous or catchpenny violence have a less convincing case than usual in this film.

The Entertainment Guide is on Page 33

Over a 2½-hour story, it is the relentlessness rather than the cynicism of war that we experience, and Peckinpah has seldom so eloquently presented the obverse side of cruelty and violence: the loyalty and comradeship of men under stress, the will to survive, that remains when every other ideal is eroded.

Julius Epstein's script offers a sturdy adaptation of the novel by Will Heinrich. But it is Peckinpah's staging that transforms an adventure-story with a moral into something richer and rarer: reserving a satirical cutting edge for the Jungianistic by-critiques of war—seen alike in Schell's character and in such casual cameos as the war casualty who having no arms cheerfully holds out a foot to the pompous, hand-shaking general on his hospital round—but enjoying our total respect for Coburn's loyalty to his men, and to their and his survival. On the first viewing I wasn't too happy with the Hemingway-ish interlude in a hospital, where a wounded Coburn enjoys a brief affair with a nurse (Senta Berger); nor with the strangely inconsequential roles (were they truncated in the cutting room?) of James Mason and David Warner as the regimental C.O. and his adjutant. But none of these defects seriously weaken the force and momentum of a film that cuts no moral corners. In its drive towards a genuinely, passionately pacifist message.

Satyajit Ray's new film *The Middle Man* is by contrast a disappointment. It harks back to the Italian directors' 1968 film *The Adventurer* in its picture of the trials and tribulations of a

big city job-hunter, but it wraps the story in such a strud of the monochrome gloom that patience with the young hero's dilemma is exhausted long before he himself vacillating between honour and self corruption in the business world, makes his own irrevocable choice.

He is a Somnath Bannerji (Pradip Mukherjee), a young man who after a brief period in the post-university wilderness and lands a job in an order supply business, as "middle man" between supplier and client, arranging purchase orders for anything, in his employer's words, "between paper clips and elephants." Early success flatters him only to deceive. When a big order for chemicals from a textile mill manager brings in the balance, Somnath decides whether or not to tip the balance by trading in his own integrity and—as advised by his cynical PR colleague—providing his client with the gentle bribery of a call girl on his next visit to the city.

Matters are complicated by the conflicting attitudes of his friends and family—his sister-in-law would turn a blind eye to such a deal, his father would not. Ray's final decision is the hero's. *Le Parfumeur*, made in 1938, is part dilemma itself seem to warrant the second half of the film is wrapped in shadow and criss-crossed with chiaroscuro like a Warner Brothers gangster film. But in trying to write the hero's problem expressionistically, *Le Parfumeur* rarely turns it into melodrama. A film initially rich in the kind of delicate, throw-away social details at which Ray excels ends up shoddering delusions of tragic grandeur that it would take a much stronger story than this to support.

Out of the mists of the past come two venerable French films, receiving a rare public showing next week at the Electric cinema. *Le Parfumeur*, made in 1938, is part thriller, part morality tale; the story of a pale, fanatical young reporter (Jean-Louis Barrault) whose role as a self-styled moral vigilante leads him to murder a prostitute. He is arrested and interrogated by a courteously cynical police inspector (Pierre Fresnay), but lack of evidence allows him to go free; until he meets another prostitute and sets for himself, almost wilfully, another trap. Stylish direction by Jeff Musso and fine performance by Barrault and Fresnay embellish a starkly effective story.

Le Baron Fantôme is Serge de Poligny's splendid 1943 film of a Jean Cocteau screenplay about two girls who live in the shadow of a mouldering castle—one is

Le Prophète

by ANDREW PORTER

The Metropolitan Opera's production of *Le Prophète*, which opened last month, completes a "cycle" of major revivals of Meyerbeer's grand operas. *Les Huguenots* was done at La Scala, with Simonato and Sutherland, in 1962; *Robert le Diable* at the Florence Maggio, with Scotto and Christoff, in 1968; and *L'Africain* in San Francisco, with Shirley Verrett and Domingo, in 1972. Reviewing those, I reported that there was life in Meyerbeer still. His contemporaries may have overrated him (Haine once remarked that Meyerbeer's mother had become the second woman in history to see her son accepted as divine), but our fathers rated him too low.

The four productions were done in four different styles. The Scala *Huguenots* was large and traditional; the composer would have recognised it. The Florence *Robert* was a ridiculous attempt, produced by Margherita Wallmann and Soboda, "to eliminate all that is purely decorative, to present the romantic theme in a dimension accessible to the way of life of modern man." The San Francisco *L'Africain* was an intelligent and successful essay in picturesque, large-scale production without full 19th-century paraphernalia. The Met *Le Prophète*, produced by John Dexter and designed by Peter Weikler, is based—less disastrously than *Robert*—on a misconception of what Meyerbeer grand opera is about.

"People often dismiss *Le Prophète* as a *pièce de théâtre*," Dexter said, "but I think the work exists on a much more profound level." His set "hegan as a half-built cathedral but has become a kind of Gothic cage, because that's what Norman Europe was at the time; the Church was a cage, and everybody was trapped inside it. I drew thought of staging the opera as a morality play." Inside that drab "cage"—a kind of Gothic apse run in wood, standing there when one enters the theatre and remaining there throughout the evening—all Meyerbeer's scenes, whether indoor or outdoor, domestic or ceremonial, shallow or deep, are imprisoned. The costumes are uniformly brown, grey, or white, with touches of red. When first he received the *Prophète* scenario, Meyerbeer had misgivings about some monotony, and devised ways to avoid it. Dexter's staging achieves it. "Effects without causes," said Wagner in the Met production, there are not even "effects." There is no hand on stage for the coronation scene. The final explosion of the Münster palace is represented by a few ribbons fluttering in the ground.



Marilyn Horne as Fides and Renata Scottó as Berthe

opening chorus of Act 3, a large turned her four appearances into four mad scenes of increasing wildness and screamed her high notes in that edgy squeaky tone she has developed in order to tackle roles heavier than those it does less than justice to. But there opera whose music and scenery, were some gentle, beautiful phrases too. Jerome Hines, the chief Anabaptist, sang his couplets in dashing fashion, if with exuberant French. Raimund Herincz made his Met debut in the tiny part of the second Anabaptist.

The drama by itself, deprived of scenic effects, cannot carry the weight Dexter wished to place on it. John in Shaw's words, "is at the disadvantage of being a hero without having anything heroic to do, and of finally having to degrade himself by shouting a vile drinking song amid a pack of absurd nautch girls." In Wagner's words, he is no hero but "a poor devil who through weakness has assumed the role of a charlatan and finally bewails—not an error, a fanatical delusion, which might at a pinch have justified that elaborate electrical unburst at the end of Act 3—but his own weakness and mendacity." Fides

Book Reviews are on Page 35

theatre, James McCracken was a noble and convincing prophet, with weight, force, and stamina for the heroic passages. (In Paris, Gustave Robert, the first *Prophète*, omitted the prayer of Act 3, and at Covent Garden a few months later Mario cut the hymn that follows it. McCracken sang both.) His head voice, employed in passages marked *pp*, *très doux*, was criticised, but I liked it; the sound had the right touch of strangeness and suggested visionary delusion. Marilyn Horne's Fides was very powerful; stentorian in the *imprécation* of Act 3; highly dramatic in the throatful utterance of "Qui je suis?" (when John denials his mother); brilliant in the trumpet roudes of "Comme un éclair." The role is written across the same range as Britten's *Die Maids of Wilton*, from the G below the staff to the C above. Alternatives are provided for singers without the exceptional disposition of Pauline Viardot, the first Fides, but Miss Horne had no need of them.

Renata Scottó seemed to have confused Berthe, John's betrothed, with Mad Margaret. She

Old Vic Youth Theatre

The Old Vic is launching a theatre workshop for young Londoners this month to give under-30s an opportunity to learn theatre experience. It is to meet twice a week at the theatre on Thursday at 6.30 p.m. and Sundays at 6.00 p.m. Frederick Proud, the founder of the Soho Poly Theatre, will be in charge of teaching.

Interested young people between the ages of 12 and 20 should go to the Old Vic on Thursday, February 24 at 6.30 p.m. and apply at the stage door.

The project is supported by the ILEA, which is financing it, but secondary school pupils, if selected, must have the consent of their head teachers to take part.



Maximilian Schell in 'Cross of Iron'

The Silver Tassie

by MICHAEL COVENEY

can O'Casey's play presents a strong challenge to the Theatre Royal's new Director of Productions, Clive Venables. The play of the Dublin football hero, Harry Heegan, who returns from the trenches of the First World War is as noted its bold tastelessness and idling construction as it is the stark, mock-religious assassination of the second act, are beguiling soldiers chant in battle-weary disillusion in front of a huge howitzer the scene of "jagged and walled ruin of what was once monastery."

Most of the second act is waded or sung, and the comedy, on the whole, sings very ill. But much of the edge of an extraordinary scene is lost obscuring the action in poor timing and, especially, by

underplaying the mysterious, ethereal pronouncements of "The Cruacher", a sphinx-like remnant, a talking death's head perched on top of a pile of sandbags.

The new company is solid but undistinguished, the production wavering uneasily between the superficially genial and the downright clumsy. There is little evidence of studied sympathy in representing the characters and the Dublin accents of the majority are approximately the least. However, Vince Brinkley as Harry does not shrink his emotional task and maintains an impressive, pent-up energy through his decline from athletic stardom to helpless, raging frustration via the Flanders stretcher.

From start to finish, several characters apart from Harry undergo startling transformations: Teddy (Robert Pugh) first enters in pursuit of his wife with a hatchet before being reduced to blind resignation; the pious Susie (Kathy Meryck) develops into an astringent ward nurse beset by mummbling old men and blasted War victims; and Jessie (Janet Spencer), Turner, in the first act with eyes only for Harry, proves a born bitch when it comes to choosing her man. There is no great reason to suppose that the War is entirely to blame for this havoc, for O'Casey seems bent on displaying the relish of human beings in exhibiting cruelty to one another when it comes to seeking patterns in existence.

Years probably turned the play down at the Abbey for all the wrong reasons, but the censored, ironical passion that inflames the final scene as the tenement

When you're ready to talk shop we're listening.

Retail real-estate is concerned with people. Understanding their purchasing habits, isolating trends and interpreting them to our Clients' maximum retail property advantage, is a major function within Healey & Baker. And not only in the UK. In France, in Belgium and in the Netherlands, our local experience and knowledge of retail investment opportunities, retail valuation requirements, planning, development and management—from Hypermarkets to single shops—is available to Clients expanding into the E.E.C.

For a copy of our latest report "The real estate side of retailing in the UK and Northern Europe," contact-

HE Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square,
London W1A 3BG 01-629 8292
CITY OF LONDON 15 OLD BROAD STREET LONDON EC2M 4JF
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & GENEVE

Robin Leggate

by MAX LOPPERT

It is always a special pleasure to watch the blossoming from bud of a fine singer. Robin Leggate, the young tenor recently entered on a full professional career, gave notice, while a student of the Royal Northern College of Music, of exceptional gifts. More than a year ago he shared a Wigmore Hall recital with fellow students since at time he has taken sizeable roles in addition to joining the choir. On Wednesday, part of his 1975 Richard Dyer Memorial Prize, he recited a full recital of Haydn, Beethoven, Schubert and Britten. The voice, notable from a first for the well-formed, and any grace of its timbre, has

matured — without losing its pristine freshness or beauty. Indeed, as a source of mellifluous, youthfully candid tones of a very English kind (though presently little provided by most of this country's leading tenors), the recital was a constant source of pleasure. In the tender meritment of Schubert's "Liebesbotschaft" (the second half was devoted to the first seven *Schwanengesang* songs), the clear, even placement of the voice was a delight—steady at lower dynamic levels (the soft tones had earlier taken a little while to come into focus), pealing eloquently around the top of the stave, secure and easy. The tone can grow large and resolute, with a promise of heroic stamina and weight that filled the hall but that was not yet over-muscled or strenuous. The sound of a young tenor forging without constraint through "Aufenthalt," with sufficient power to master the final inexorable surge, reminded one yet again how much the songs lose by being dragged down to lower keys for the lower male voices.

With so refreshing a display of natural singing, one would not wish to tamper for the world. But it has to be said, on the evidence of the first half of the programme, and of the darker, more difficult songs in general, that Mr. Leggate's imagination does not always keep pace with the prowess of his voice. Three opening Haydn canzonettas were bland—an exposure is needed to Elisabeth Schumann's perky smile-in-the-tone on the repetitions of "Hurly-burly" in "The Sailor's Song."

In the Beethoven group—"Adelaide" followed by the *Adie ferne Geliebte* cycle—it became clear that the German language is still more mouthed than used, that the urgent, impassioned sentiments are more outlined than re-created. A very musical reading of the Britten *Cancticle* I showed the pianist, David Syrus, prone to untidy pedalling and uneven fingerwork in Schubert, at which Leggate

OVERSEAS NEWS

Waldheim bid to convince Israel of Arab sincerity

MICHAEL TINGAY

NURT WALDHEIM, the UN Secretary-General, arrived in Amman today to try to convince the Israeli Government that the Arabs sincerely want to achieve peace through negotiated settlement.

Much more important, though, is the visit of Mr. Cyrus Vance, the American Secretary of State. While the Arabs are emphasising the UN role in mediation, Israel is once again stressing the American role in peacemaking.

JERUSALEM, Feb. 10

Yen's climb continues

By A Special Correspondent

TOKYO, Feb. 10. THE YEN continued its recent rise on the Tokyo foreign exchange market today, influenced by the much-publicised remark of University of Pennsylvania Professor Lawrence Klein that a 10 per cent appreciation of the yen and the German mark would serve greatly to aid world economic recovery.

CRISIS IN THE EAST AFRICAN COMMUNITY

The collapse of an ideal

By JOHN WORRALL IN NAIROBI

ALMOST EVERYTHING that could go wrong with the East African Community is going wrong. Kenya this week set up its own railway system, cutting loose from the East African Railways Corporation, while the East African Airways Corporation has just collapsed under a mountain of debt, after years of strain, mismanagement and ideological infighting.

The report, however, is believed to contain little more than political and economic position papers of the three states. It down by similar problems may never be published as a joint exercise, and perhaps will only appear if one country feels like using it to take a crack at another.

What is evident is that the "African togetherness" which brought the Community into being in 1967 has evaporated into state chauvinism and narrow nationalism. Ironically, "togetherness" still seems to exist among the ordinary people.

market, unique in Africa, is also menaced. For years it has been a stimulus to trade between the three countries, but heavily weighted in favour of Kenya as the most developed of the three. Tanzania is increasingly putting up barriers against Kenyan goods and services, buying elsewhere, such as from China, though Kenya can produce most goods Tanzania needs.

Kenya may well feel the common market breaks up. Its large, favourable trading surplus with the rest of the Community has always helped to offset unfavourable balances elsewhere. But Kenyan eyes are already on trade with the Sudan, Zaire, Zambia, the Arab states, the Seychelles, Ethiopia and other countries to offset the unscrupling of the common market.

It is hard to say where Uganda stands in this rush to bid goodbye to the Community. Being landlocked, it is totally dependent on Mombasa port in Kenya for imports and exports, and on East African Railways to get them there.

LO and Syrians clash near Beirut

BEIRUT, Feb. 10. SYRIAN commando troops of Lebanon's Arab guerrilla force clashed in a fighting around the UN refugee camp, on the eastern outskirts of Beirut, yesterday, eyewitnesses said.

Rabin wage, price freeze

By L. DANIEL

ISRAELI Prime Minister, Yitzhak Rabin, and the head of the Trades Union Federation today decided on an economic emergency programme which would freeze wages, prices, dividends and taxes, at least until after the general elections, scheduled for May 17.

TEL AVIV, Feb. 10.

(mainly in the civil service), anything promising a measure of stability has a chance of being passed by a narrow margin in the House, despite the fact that Mr. Rabin's caretaker Government no longer has a majority.

Australia capital inflow

By KENNETH RANDALL

THE INCREASED capital inflow, following the Australian devaluation last year, has brought the balance of payments close to break-even point, according to official statistics released today.

CANBERRA, Feb. 10.

For the first seven months of the current financial year, the deficit on net official monetary movements was \$22m. (about £1.3m.), compared with the deficit of \$395m. (about £10m.) for the seven months to the end of January, 1976.

CHARITY NEEDS YOUR TRUST

CHARITIES AID FOUNDATION, the leading specialists in the administration of tax-privileged funds for charity, provides unique financial services for private individuals and companies...

- * A trouble-free and, usually, cost-free method of setting up and administering a charitable Trust designed to suit your circumstances. For example:—
* LOAN TRUSTS — for those who can lend capital temporarily, even for a few months, the income being distributed to charity entirely tax-free.
* DISCRETIONARY TRUSTS — for those who wish to retain complete discretion during their lifetime over the distribution of income from a capital fund or the capital itself.
* GROWTH TRUSTS — a new way of building up your own charitable Trust year by year out of tax-privileged income.

CHARITIES AID FOUNDATION also has long-established covenant services which ensure speedy recovery of income tax for the benefit of charity. And all account holders with CAF can use CHARITY CREDITS, the most convenient way of giving to charity. You write them just like a cheque. To find out more, please post the coupon below indicating the booklets you require.

To CHARITIES AID FOUNDATION
48 Pembury Road Tonbridge Kent TN9 2JD
Please send me the following booklets:
THE FACILITIES OF THE CHARITIES AID FOUNDATION — a guide to methods of giving to charity.
TRUST FACILITIES — to help those who wish to give capital to charity.
GIVING TO CHARITY FROM INCOME — a guide for individuals.
THE BUSINESS SIDE OF GIVING TO CHARITY — a guide for Company Directors.
CHARITY CREDITS — an explanatory booklet.
NAME _____
ADDRESS _____

CHARITIES AID FOUNDATION Specialists in tax-privileged giving to charity

EEC, Arab talks open in Tunis

By Tanya Matthews

TUNIS, Feb. 10. DELEGATIONS representing on the one hand 19 Arab countries, together with the Palestinians, and on the other the nine Common Market countries, met today for the opening of the second general committee meeting of the Euro-Arab Dialogue in Tunis.

The head of the Arab delegation, Mr. Ismail Kheili, devoted most of his opening speech to the stalemate in the Euro-Arab dialogue on the Palestinian issue. He said the Arab partners to the dialogue expected Europeans to prove their good faith in deeds and not in words. "We hope," he said, "that by taking their stand the European partners will consider the points we advanced, namely that it is inadmissible to aid the invader, to perpetrate his aggression, and inadmissible to conclude agreements with Israel as long as Israel continues to occupy Arab territories."

Qatar may pay Shell £14m.

The Qatar Government is understood to have agreed to pay Royal Dutch Shell £14m. compensation for its remaining 40 per cent holding in Shell Qatar. Robert Graham writes from Doha. An agreement for completion of the take-over by Qatar was signed on Wednesday. Informed sources here said that Royal Dutch Shell would receive a management fee of 15 U.S. cents a barrel produced from the former Qatar Shell company's offshore oil fields.

Soweto pupils back

Black students streamed back to schools in Soweto yesterday, in the face of warnings that police would be on the routes wandering in streets in school hours, UPI reports from Johannesburg.

S. Pacific quails

Soviet plans to establish fishing fleets based on South Pacific islands might result in such bases becoming naval installations, Sir Albert Henry, Premier of the Cook Islands, said yesterday. He is the leader of 22,000 people on 15 islands, 1,800 miles north-east of New Zealand. There are another 20,000 Cook Islanders working in New Zealand.

Island appeal

Leaders of tiny Norfolk Island in the South Pacific, first inhabited by descendants of the Bounty mutineers, have called on the United Nations to protect them from an Australian political takeover, Reuter reports from Sydney.

We'll give you an office in Tokyo and a charming introduction to 40,000 companies.

Right in the heart of Tokyo's business district is the JAL Executive Service Lounge. Your office away from the office, conveniently and comfortably situated on the mezzanine floor of the Imperial Hotel. Since there's everything there for you except the overheads, it's better than having your own Tokyo office.



The lounge provides all the regular office facilities, free or at a nominal charge and is staffed by both JAL and JETRO, the Japan External Trade Organisation. The JAL staff will take care of your travel and accommodation arrangements, and will obtain the services of secretaries, interpreters, chauffeurs and guides. The JETRO staff will help with all aspects of your business.



Through their computer, they can provide information on 40,000 Japanese companies. Then, if you wish, make the introductions.



Recently, JETRO staff at the Executive Service Lounge have found a distributor for an Italian manufacturer, a market for an English paper maker, a supplier for a French food company and a Japanese partner for a German firm. And this is just a handful of examples.



Remember too, that the Executive Service Lounge is only part of the JAL Executive Service, the first and still the most comprehensive package of business aids for the executive visiting Japan. It gives you all the help you need before you go, on the way and when you get there. With all this, 22 flights a week and JAL's incomparable in-flight service, it's no wonder that JAL fly more Europeans to Japan than any other airline.

We never forget how important you are.



Find out more by contacting the Executive Service Secretary at your nearest JAL office or mail this coupon today.
Please send me my copy of the new brochure on the JAL Executive Service.
To: Japan Air Lines, 8 Hanover Street, London W1R 0DR.
Name _____ Address _____
Position _____
Company _____

AMERICAN NEWS

Car makers, Congress in talks on pollution curbs

BY JAY PALMER

THE LARGE U.S. car makers and Congress are now sitting down together to solve an urgent problem which, if it remains unsolved and in the unlikely event of its being carried to extremes, could result in car industry shutdowns this autumn and refusals to build any more vehicles.

As U.S. law stands now, the cars that General Motors, Ford, Chrysler and American Motors are planning to build for sale in 1978 model vehicles later this year would be illegal. They would all fail to meet the stringent exhaust emission standards detailed for 1978 in the 1970 Clean Air Act.

Theoretically, the car makers would be liable for statutory fines of at least \$10,000 for every vehicle that they sell after the introduction of the new model year fleet. The car companies have warned that they do not have the technical ability to meet the new standards and that rather than pay fines they would close down production.

Panama Foreign Minister resigns

By Alan Riding

MEXICO, Feb. 10. SR. AQUILINO BOYD, the Foreign Minister of Panama, resigned last night, following a disagreement with the country's dictator, General Omar Torrijos, over the handling of the canal treaty negotiations.

WORLD TRADE NEWS

Japan is urged by Britain to open domestic market

BY DOUGLAS RAMSEY

TOKYO, Feb. 10.

SIR PETER CAREY, Permanent Secretary at the Department of Industry, left Tokyo this evening after extensive discussions with Japanese Government and industry officials about increased Japanese investment in Britain.

In his talks, Sir Peter also discussed future British investment in Japan, easier access for British goods to the Japanese market and the prospect of joint venture investments in third countries.

The visit to Japan came at the end of an Asian tour which took Sir Peter to Thailand, Hong Kong, and South Korea before he arrived in Tokyo eight days ago.

Record U.K. knitwear exports

BRITAIN'S KNITWEAR industry increased its exports last year by 10 per cent.

The biggest improvement was in sales of outerwear—men's sweaters and cardigans—where increased fashion demand helped to raise exports to \$102.7 million, a 15 per cent rise on 1976.

U.S., Japan agree on fish rules

BY DOUGLAS RAMSEY

TOKYO, Feb. 10.

JAPAN and the U.S. have reached agreement on strict rules which Japanese fishermen will have to observe in exchange for continued access to U.S. waters up to 200 miles from shore.

The interim pact will take effect from March 1 when Washington formally adopts its 200-mile exclusive fishing zone, and will stay in force until a permanent pact is signed and ratified by both sides.

Neither the USSR nor South Korea received similar treatment, although their fishing vessels, already in the area, are not to be affected by the new pact.

The interim agreement obliges Japanese fishing boats to carry with them entry certificates issued by Washington, to limit their catches to quotas set by area and fish species, and pay entry fees of \$100 per vessel.

ICI reduces work force in Germany

By Rhys David

ICI FIBRES which is already engaged in a major trimming of its U.K. labour force is to dismiss a total of 400 employees at one of its West German plants at Oerlinghausen in the Rhineland Palatinate.

Aerospace sales by U.K. reach record

BY MICHAEL DONNE

The U.K. aerospace industry achieved a substantial balance of payments surplus last year, with exports amounting to £904m against imports of £595m.

The latest available figures for the industry's turnover, as measured by the value of sales to final users at home and abroad, including both civil and military work, shows a significant rise.

Castro praises Carter

BY DAVID BELL

WASHINGTON, Feb. 10.

GENERAL FIDEL CASTRO, the Cuban President, said in a U.S. television interview broadcast last night that he admires President Carter's honesty and would welcome a meeting with him.

State Department officials said today that they were mildly encouraged by President Castro's remarks, but pointed out that he had made conciliatory comments before.

The agreement was met with relief at the Foreign Ministry, where a spokesman pointed out that "at a certain stage it seemed impossible to reach an interim agreement."

Mr. Sadiowski was the establishment candidate who had been groomed as Mr. Abel's successor from among the top executives of the union. He had been challenged in a bitter campaign by Mr. Ed Sadiowski, a 38-year-old Chicago union official.

Greece puts emphasis on fairs

By Margaret Hughes

IN ANTICIPATION of its entry into the EEC, generally expected to take place in the early 1980s, Greece is placing greater emphasis on trade fairs as a means of both promoting exports and attracting foreign co-operation to speed up its industrialisation programme.

RAF transport fleet sold as air freighters

FINANCIAL TIMES REPORTER

THE ENTIRE RAF fleet of 10 Belfast heavy freighter aircraft has been sold by the Ministry of Defence to the U.S. company, Pan African Air Freight-Liners.

Hong Kong traffic

Hong Kong handled 21,060,000 tons of cargo in 1976, a new record and an increase of 25.5 per cent over the total handled the previous year, which was 10.1 per cent down from 1974.

U.S.-MEXICAN RELATIONS

Washington's reluctant suitor

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

MEXICO's new President, Sr. José López Portillo, flies to Washington on February 13 for a four-day official visit intended first of all to reassure Americans that he is very different from his controversial predecessor, Sr. Luis Echeverría.

Washington's reluctance to embrace the new Mexican President is not surprising. The fact that he will be the first foreign Head of State to visit Washington since the change of administration reflects both Mexico's urgent need for American help and President Jimmy Carter's apparent willingness to respond.

Observes have detected in some of Mr. López Portillo's recent public remarks a trimming of his views to meet criticism from Mr. Sadiowski that the union under Mr. Abel has been "in bed with management."

While this would in no way affect the outcome of the election, it would give him a strong political base from which to push his policies, assuming that he chooses to do so and assuming that he is not discredited by his failure to defeat Mr. McBride.

Romanian target missed

BY PAUL LENDVAI

VIENNA, Feb. 10. ROMANIA'S FOREIGN trade turnover last year was up by 14.3 per cent according to the communiqué on the 1976 plan fulfilment.

Hungary's trade muddle revealed

BY GEORGE SCHÖPFLIN

A DEVASTATING picture of ignorance, manipulation and muddle in the management of Hungary's foreign trade is provided by the latest issue of the Budapest monthly Valóság.

Trade deficit

Washington would be unwise to ignore the fundamental nationalism of Mexico.

Washington would be unwise to ignore the fundamental nationalism of Mexico. Sr. López Portillo would like to see the U.S. virtual free access to its 200-mile fishing zone, for example, caused an immediate outcry. New American interest in the natural resource of the Baja California peninsula has also alerted Mexican suspicions.

Bitterness

It will be easier to change Mexico's image in official Washington than among the American public at large. A few embraces between Sr. López Portillo and Mr. Carter, for example, will not dispel the bitterness of American Jews and other anti-Zionist groups who remember Mexico's anti-Zionist vote at the United Nations 15 months ago, or the fear of tourists who read alarmist reports of assaults on American travellers, or the lack of confidence among investors who saw the value of their savings halved by last year's devaluation of the Mexican peso.

Relations between the two administrations have not least begun on a good note: each sent his wife to the other's inauguration—and the two women apparently got on well. Mexico's Foreign Minister, Sr. Santiago Roel, makes up for his lack of diplomatic experience by being unabashedly pro-American, while the country's new ambassador in Washington, Sr. Hugo Margain, until last December ambassador in London, is a thorough professional.

Under Mr. Abel, the union strongly backed the imposition of a 10 per cent tariff on steel into the U.S. and in election speeches, Mr. McBride has placed considerable emphasis on the need to protect the steel industry from imports in order to maintain employment.

Under Mr. Abel, the union strongly backed the imposition of a 10 per cent tariff on steel into the U.S. and in election speeches, Mr. McBride has placed considerable emphasis on the need to protect the steel industry from imports in order to maintain employment.

Venezuela oil sales scheme

By Joseph Mann

CARACAS, Feb. 10. Sr. Valentin Hernandez, Venezuela's Petroleum Minister, said yesterday that his Government aimed to market 40 per cent of the country's oil exports itself, without international companies acting as intermediaries.

Algerian cutlery

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea.

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea. The loan, supplied by the Japan Overseas Economic Cooperation Fund, will be repaid over three years after a five-year grace period at an annual interest of 5.75 per cent.

S. Korean loan

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea.

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea. The loan, supplied by the Japan Overseas Economic Cooperation Fund, will be repaid over three years after a five-year grace period at an annual interest of 5.75 per cent.

Libyan training

The Libyan Ministry of Education has announced that it will spend \$100 million on training for industrialists in Tripoli and to be used for practical training in electronics, refrigeration, air conditioning and agricultural engineering.

Franco-Soviet deal

Three French companies—Alcatel, LTT and Cable de France—are to supply telecommunications equipment worth \$150 million to be installed along a 400 km. liquid ammonia pipeline to be built between Oujda and Togliatti, near Kuybyshev, the Soviet Union acting as contractors in Societe Entreprenne, the French construction company which is building a fourth complex under contract to the Central Petroleum of the U.S.S.R.

RAF transport fleet

The entire RAF fleet of 10 Belfast heavy freighter aircraft has been sold by the Ministry of Defence to the U.S. company, Pan African Air Freight-Liners.

Hong Kong traffic

Hong Kong handled 21,060,000 tons of cargo in 1976, a new record and an increase of 25.5 per cent over the total handled the previous year, which was 10.1 per cent down from 1974.

Algerian cutlery

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea.

S. Korean loan

Algeria has agreed to provide a \$12.6bn. loan to help fund a series of irrigation projects throughout South Korea.

Libyan training

The Libyan Ministry of Education has announced that it will spend \$100 million on training for industrialists in Tripoli and to be used for practical training in electronics, refrigeration, air conditioning and agricultural engineering.

Franco-Soviet deal

Three French companies—Alcatel, LTT and Cable de France—are to supply telecommunications equipment worth \$150 million to be installed along a 400 km. liquid ammonia pipeline to be built between Oujda and Togliatti, near Kuybyshev, the Soviet Union acting as contractors in Societe Entreprenne, the French construction company which is building a fourth complex under contract to the Central Petroleum of the U.S.S.R.

مكتبات الامم المتحدة

HOME NEWS

Bullock will need consent of managers, says Ryder

BY ADRIAN HAMILTON

BULLOCK recommends that the consent of managers should be introduced...

Similarly, if the arrangements appear to employees to pay only lip-service to the concept of industrial democracy...

The urgent task was to "find ways of moving, in a pragmatic fashion, towards a common underlying objective..."

New-style planning urged for inner cities

Financial Times Reporter

A CALL for a new type of planning for inner city areas was made in Bristol yesterday...

High British Gas profits expected for this year

BY RAY DAFTER, ENERGY CORRESPONDENT

THE BRITISH GAS Corporation is expected to end the current financial year with a substantial profit...

whether it can justify to the other commercial breakthrough later this year. A consortium of 14 U.S. companies is discussing with the Energy Research and Development Administration...

Chapple plea for rights of the small unions

BY DAVID CHURCHILL, LABOUR STAFF

FRANK CHAPPLE, general secretary of the Electrical and Mining Trades Union, yesterday gave a warning that proposals for electing worker directors put forward in the Bullock report...

On the question of how worker representatives should be chosen, he said that the National Enterprise Board had supported the idea of taking shop stewards in British Leyland because they were elected, even if by a minority...

Voluntary

Although his comments on Bullock were carefully framed not to form an attack on the Government's view on employee participation—indeed, he expressed some forceful criticism of some Confederation of British Industry views as well as old-fashioned boardroom attitudes...

But he also argued that "there are some real problems in companies where a substantial proportion of the workforce does not belong to a trade union and has no wish to do so..."

Appropriate

He further warned of the need not to disregard the role of the middle manager. "For managers share power with shop stewards," he declared, "we run the risk that the middle manager will become the odd man out..."

U.K. demand rises for machine tools

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE MARKET orders for machine tools improved steadily in 1976, although demand in export markets remained weak, according to the latest statistics from the Department of Industry...

Takeovers up 12% but below boom levels

Financial Times Reporter

THERE WERE 353 company acquisitions in 1976, an increase of 12 per cent on 1975. Expenditure on takeovers was 47 per cent higher at £427m, then in 1975, according to Department of Trade figures to-day...

Aid projects

CHRISTIAN AID has agreed to spend more than £127,000 on development projects in seven Latin American countries. The biggest grant of £21,370 will help set up a farming and forestry co-operative among Indians in Paraguay.

Selby shaft

Contract for the sinking of the first two shafts in the Selby coalfield has gone to Cementation Mining. The 1,274 feet shafts, the first of two, will take 2½ years to complete.

Brain drain

Mr. Peter Miller, outgoing chairman of Lloyd's Insurance Brokers Association, has warned that excessive taxation and a pay freeze had resulted in a brain-drain from the industry.

Jubilee walk

The Queen is to walk from St. Paul's to Guildhall on Jubilee Day, June 7, after a State Drive from Buckingham Palace to the cathedral for a service of thanksgiving.

Better fare

Catering facilities at seven airports run by the British Airports Authority are to be improved after a survey showed that most passengers felt there was room for improvement.

Fast Aston

Aston Martin is launching a 170 mph variant of its two-door V8 model costing almost £20,000—£4,046 more than the standard V8.

Left aids Right

Growing power of the extreme left was "a dimension which would help Tories win more seats than ever in the coming local elections, Mr. Michael Heseltine forecast yesterday. The Conservatives were aiming to win control of every Labour-held council in the May elections in England.

More buyers

More than 60,000 international buyers visited the second International Spring Fair at the National Exhibition Centre, Birmingham, almost all 2,300 exhibitors, showing a variety of new products to gold and silverware, reported more confident buying.

Share call

Dividend restraint should be removed, the Wider Share Ownership Council has suggested to Mr. Hesley. It also wants the Equal Access to the Investment Bill included in the Budget.

Clipped wings

A jet airliner has been proposed at a meeting because it has run up a £10,000 parking bill.

Talks over aid delay Rubery Owen decision

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DECISION about Rubery Owen Conveyancer, the forklift concern, is being delayed, according to sources, by discussions about the Government's proposed merger with Coventry Climax. It was announced in November that a British Leyland Special Products subsidiary, and Coventry Climax, part of the lately-owned Rubery Owen, were looking at the possibility of "a closer working relationship."

Law on vetting tobacco substitutes to go ahead

BY STUART ALEXANDER

THE GOVERNMENT yesterday affirmed its intention to bring tobacco substitutes and additives into the orbit of the Medicines Act and to give the Independent Scientific Committee on Smoking and Health Statutory status. The decision was confirmed in Commons yesterday when Mr. Roland Lyell, Minister of State at the Department of Health and Social Security, announced the intention in the House by Dr. David Owen, Mr. Hoyle's predecessor, in January, 1976. And Mr. James Callaghan said his speech after the Queen's speech that the Government would introduce legislation in the next session, 1977-78, to bring substitutes and additives within the Act. There has been considerable interest in the industry over the

Data General welcomes IBM to the minicomputer market. Who says you can't teach an old dog new tricks?

Using the minicomputer to complement the big mainframe is nothing new. It's an idea that we started pioneering more than eight years ago. And today, there are over 25,000 Data General minicomputers in stand alone systems and in distributed processing networks. And they're doing applications like data processing, process control, computation and data communications.

It works. You can ask any one of our more than 6,000 Data General users in more than 33 countries around the world. But don't take our word for it. Ask Marketing Communications for the book that tells the whole story of why 25,000 Data General minis are economically doing the job that big computers can't. Just fill out the coupon and we'll show you some new tricks.

Data General logo and contact form with fields for Name, Title, Company, Address, and Tel.

HOME NEWS

Shotton closure 'means disaster'

By Ian Hargreaves, Industrial Staff
THE ECONOMIC and social life of the Shotton area would be shattered if the British Steel Corporation was allowed to end steelmaking at Shotton, North Wales, the Government was told yesterday.

More than 8,000 jobs would be at risk if they were pushed unemployment on Desidee and a "horrid" 26 per cent.

Courtaulds
The report pointed to recent blows to the Mersey docks and to the local textiles industry through the Courtaulds closures.

Priorities for Government action were: Save Shotton; Protect jobs at the Port of Liverpool; Implement immediately plans for dispersal of Civil Service jobs to the region; Grant development area status to Clwyd (this is under review); Divert more cash to the needs of the region.

P & O gives Europe first jetfoil line
By Kevin Done, Industrial Staff
EUROPE'S first commercial jetfoil service, linking Central London with the Continent through Zeebrugge, Belgium, is to be opened in June.

The 43-knot, 112-ton jetfoil has horizontal foils which move like wings under the water. The hull is lifted clear of the water on vertical struts.

£1m. order aids BR subsidiary
Financial Times Reporter
BRITISH RAIL Engineering has gained a £1m. contract to build a new container-building work until the end of this year.

Scottish Board aids heavy vehicle plan

BY OUR OWN CORRESPONDENT

THE SCOTTISH Development Agency will invest more than £1m in starting a company which will make a cross-country heavy duty vehicle of British design, aimed primarily at defence sales.

The company is moving into a Development Agency factory at Cunnock, Arbroath, previously occupied by Scottish Aviation.

Coal Board test centre cost up 70% in a year
BY DAVID FISHLICK, SCIENCE EDITOR

THE COST of a coal research facility, the 85MW (thermally fluidised-bed combustor) and its pressure vessel, will be supplied by a German company.

Transport bodies 'need more say'
BY IAN HARGREAVES
The Greater London Council's bid for greater control of British Rail services in the capital has received backing from the Association of Metropolitan Authorities.

Automation has important role
BY OUR INDUSTRIAL STAFF
THE AUTOMATION and instrumentation industry has an all-important role to play in the re-orientation of Britain's industrial strength.

Evidence on actuary 'unsatisfactory'
DETAILS OF the case in which the Department of Trade was instructed by Sir Iddow Pugh, Parliamentary Commissioner for Administration, to make a fresh review of its findings that a controller of an insurance company was not a fit and proper person were given yesterday in the second report of the Commissioner.

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.

Interest-free Unsecured Loan stock 1985. The project is receiving industry support from the Scottish Office.

Siege drama
The appointments came after last week's news that Mr. Michael Grade, formerly deputy editor of the BBC, was to become director of programmes.

Investment by Massey-Ferguson tops £23m.
By Kenneth Gooding, Industrial Correspondent
MASSEY-FERGUSON, the Canadian-owned group involved in a bitter industrial dispute at its Coventry plant, disclosed yesterday that it had achieved record levels of investment and exports to the U.K. last year.

London Weekend goes into battle
By Michael Thompson-Niel
LONDON WEEKEND Television yesterday announced a package of programmes covering drama, light entertainment, current affairs and features, and made further new appointments.

Power engineering men fight mergers
BY OUR LABOUR STAFF
UNIONS in the work-starved power engineering industry declared their opposition yesterday to company mergers expected to be agreed and announced in the next few weeks.

Exemption sought on unfair dismissals
BY OUR LABOUR STAFF
THE TWO SIDES of the electrical contractors industry in the Midlands have asked the Government to exempt procedures of the Trade Union and Labour Relations Act.

Striking newsmen accept TUC peace proposals
BY OUR LABOUR STAFF
TWO LONG-RUNNING disputes involving journalists were settled yesterday.

Salvage move on benefits
BY OUR MIDLANDS CORRESPONDENT
A NEW EFFORT is to be launched to salvage whatever is possible from the Leyland Cars fringe benefit package.

NUJ view
The NUJ said: "As far as we are concerned, members cannot resign from the union during a dispute. So they are still members of the NUJ."

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.

Project developed studies over the past year has clearly defined it as a test facility and not a prototype fluidised-bed power plant, which some of the protagonists were hoping for.

Investment by Massey-Ferguson tops £23m.
By Kenneth Gooding, Industrial Correspondent
MASSEY-FERGUSON, the Canadian-owned group involved in a bitter industrial dispute at its Coventry plant, disclosed yesterday that it had achieved record levels of investment and exports to the U.K. last year.

London Weekend goes into battle
By Michael Thompson-Niel
LONDON WEEKEND Television yesterday announced a package of programmes covering drama, light entertainment, current affairs and features, and made further new appointments.

Power engineering men fight mergers
BY OUR LABOUR STAFF
UNIONS in the work-starved power engineering industry declared their opposition yesterday to company mergers expected to be agreed and announced in the next few weeks.

Exemption sought on unfair dismissals
BY OUR LABOUR STAFF
THE TWO SIDES of the electrical contractors industry in the Midlands have asked the Government to exempt procedures of the Trade Union and Labour Relations Act.

Striking newsmen accept TUC peace proposals
BY OUR LABOUR STAFF
TWO LONG-RUNNING disputes involving journalists were settled yesterday.

Salvage move on benefits
BY OUR MIDLANDS CORRESPONDENT
A NEW EFFORT is to be launched to salvage whatever is possible from the Leyland Cars fringe benefit package.

NUJ view
The NUJ said: "As far as we are concerned, members cannot resign from the union during a dispute. So they are still members of the NUJ."

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.

Evidence on actuary 'unsatisfactory'
DETAILS OF the case in which the Department of Trade was instructed by Sir Iddow Pugh, Parliamentary Commissioner for Administration, to make a fresh review of its findings that a controller of an insurance company was not a fit and proper person were given yesterday in the second report of the Commissioner.

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.

Evidence on actuary 'unsatisfactory'
DETAILS OF the case in which the Department of Trade was instructed by Sir Iddow Pugh, Parliamentary Commissioner for Administration, to make a fresh review of its findings that a controller of an insurance company was not a fit and proper person were given yesterday in the second report of the Commissioner.

LABOUR NEWS

Leyland workers threaten to strike on differentials

BY DAVID CHURCHILL, LABOUR STAFF

SKILLED TOOLROOM workers in British Leyland are to challenge the pay policy next week by taking unofficial strike action in support of demands for extra money to maintain and improve their differentials.

More than 700 toolmakers at Leyland's Oxford plants yesterday decided to join the strike next Friday and they are expected to be joined by up to 5,000 other toolmakers in Leyland.

But 500 toolmakers at Ford, Dagenham, yesterday decided to call off their threatened strike on Monday pending exploratory talks with the company over differentials.

This new challenge by Leyland toolmakers indicates the extent of their grievances over pay differentials which last year led to a series of disputes in which they unsuccessfully defied the pay guidelines.

Their frustration at successive pay policies eroding pay differentials was only held in check by a series of strikes from Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, in abidance by the social contract.

But last year the toolmakers decided to set up their own unofficial group to press for separate negotiating rights for toolmakers as well as improved differentials.

Leaders of the Confederation of Shipbuilding and Engineering Unions meeting in York said that mergers followed by redundancies would be countered with sanctions against the four companies involved. This might affect their delivery dates for orders.

The executive council of the confederation decided to seek a meeting with the companies: C. A. Parsons; GEC; Clarke Chapman; and Babcock and Wilcox, which between them employ about 39,000 workers.

The unions believe that 10,000 jobs may be at risk, many in areas of already high unemployment.

The confederation called on the Government to bring forward construction of a £500m. power station, Drax B, near Selby, York, and put out shorter-term contracts to tide the industry until the Drax order went out.

Striking newsmen accept TUC peace proposals
BY OUR LABOUR STAFF
TWO LONG-RUNNING disputes involving journalists were settled yesterday.

Salvage move on benefits
BY OUR MIDLANDS CORRESPONDENT
A NEW EFFORT is to be launched to salvage whatever is possible from the Leyland Cars fringe benefit package.

NUJ view
The NUJ said: "As far as we are concerned, members cannot resign from the union during a dispute. So they are still members of the NUJ."

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Threats fail to deter Varley

By Peter Cartwright

MR. ERIC VARLEY, Secretary for Industry, last night decided to go ahead with his meeting with Leyland workers today in Birmingham in spite of threats from several groups, including toolmakers, to disrupt the visit.

He will meet Mr. Jack Jones, general secretary of the Transport and General Workers Union, and Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers as well as senior shop stewards at the Leyland plant in Birmingham where the new Mini is to be produced.

Mr. Varley's visit will come at the same time as Leyland has been hit by a fresh wave of disputes. By last night, more than 12,000 workers were on strike for the first time. Production of seven models was at a standstill.

Work on the Maxi model at Cusley h altered yesterday when 400 assembly men were sent home. Another 500 men were affected at Longbridge, Birmingham, where 2,700 are on strike.

The strikes are at the Castrol-Bowmaker body plant and the Triumph factory in Coventry. Production losses are mounting at a rate of more than 1,200 cars a day. Work on the Maxi model at Cusley h altered yesterday when 400 assembly men were sent home.

Exemption sought on unfair dismissals
BY OUR LABOUR STAFF
THE TWO SIDES of the electrical contractors industry in the Midlands have asked the Government to exempt procedures of the Trade Union and Labour Relations Act.

Striking newsmen accept TUC peace proposals
BY OUR LABOUR STAFF
TWO LONG-RUNNING disputes involving journalists were settled yesterday.

Salvage move on benefits
BY OUR MIDLANDS CORRESPONDENT
A NEW EFFORT is to be launched to salvage whatever is possible from the Leyland Cars fringe benefit package.

NUJ view
The NUJ said: "As far as we are concerned, members cannot resign from the union during a dispute. So they are still members of the NUJ."

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.

Evidence on actuary 'unsatisfactory'
DETAILS OF the case in which the Department of Trade was instructed by Sir Iddow Pugh, Parliamentary Commissioner for Administration, to make a fresh review of its findings that a controller of an insurance company was not a fit and proper person were given yesterday in the second report of the Commissioner.

Channel insurance funds to industry, says Allen
BY ERIC SHORT
INSURANCE FUNDS should be channelled into industrial development to create jobs and improve productivity, Lord Allen, chairman of the TUC economic committee and general secretary of the Union of Shop, Distributive and Allied Workers, told members of the industrial life offices at Bath yesterday.

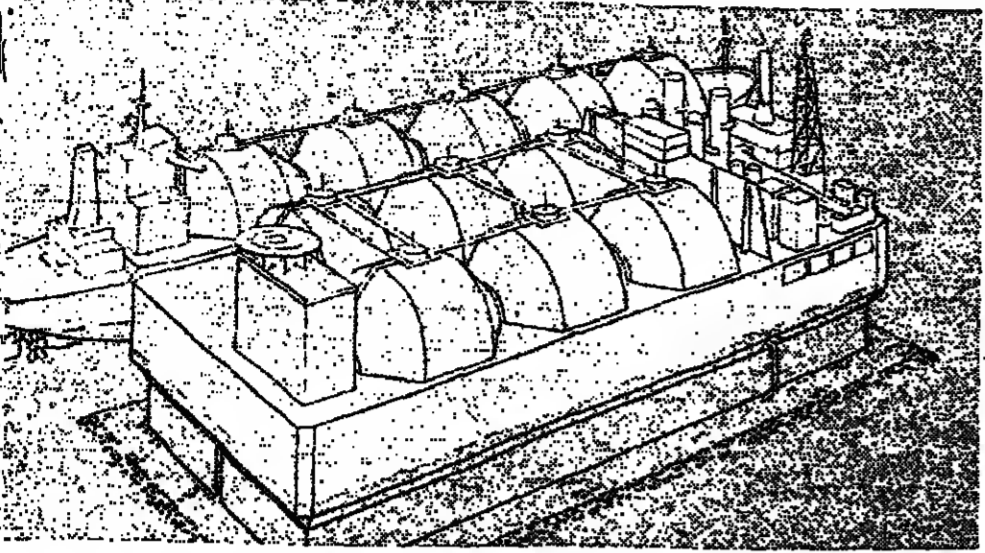
Progress over airport row
TALKS ON a dispute involving 36 firms which has closed Glasgow Airport to passenger traffic since Saturday night, made progress yesterday, a union official said afterwards. The talks were adjourned until today.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY



firm base for liquid gas plant

COMPLETELY new so far as sea-liquid natural gas plants concerned is a design which is being developed by the Spanish engineering group, the design has been called LIG Seabed Supported System (LSS) and is the first in storage and liquefaction barges are not left to float in the sea but are firmly anchored to a concrete seabed.

The design has been taken on the concept which is a component of Sener's marine system (the MLS) which is integrated floating plant for liquefaction, liquefying, treating, liquefying and ship-loading natural gas.

New plants will be built in the Bay of Alcaniz, Spain. The essence of the design is

that both storage and liquefaction barges are supported on concrete caissons supporting them can be towed, floated into position or sunk at will by the use of ballasting and de-ballasting techniques and that the whole plant is supported from the seabed.

When the soil and underlying geological structure are sound, caissons would be sunk to the seabed, a layer of gravel being laid on top of them to equalise pressures and the barges would be brought into position and ballasted on to the support surface. This creates a fixed foundation, layers of fill-in which could be sand or gravel, would be laid first.

Apart from overcoming doubts that floating plant might not operate efficiently under dynamic conditions, the design offers mobility and the advantage that assembly can take place on shore under industrial condi-

tions with full quality assurance, unlike most land-based plants where assembly has to be carried out where there is no technological infrastructure.

LSS is suitable for any LNG site with a water depth of up to 30 metres. Designs are available for plants with a liquefaction capacity up to 500m cubic feet of gas/day.

Standard is a 400m cubic feet/day plant and the cost of such a plant for delivery in mid-1980 would be \$450m. This would include construction, towing, installation, seabed preparation and plant testing. Finance for up to 90 per cent of this would be available through a combination of Spanish Government marine credit arrangements and private Spanish banks.

Extensive studies of how the structures would behave in various combinations of wave and wind forces have been carried out. Further details from Sener, 56 Avenida del Triunfo, Las Arenas, Bilbao, Spain.

COMPONENTS

Power cost memory

RELIABILITY is announced by a new 8k dynamic random access memory (DRAM) 16-bit package which should be compact, high capacity and built at a lower price per bit.

Projections made by the company show that within a year or two the price per bit of 8k DRAMs will have dropped to half that of 4k and perhaps 1/3 that of 16k.

A new component, 2108, is used as a 1.92 one-hit words manufactured using a two-polysilicon NMOS process.

Reliability is not critical, allowing pleated addressing without firing performance. None of three refresh modes available needs more than 64 cycles fresh all 8,192 bits.

There is a choice of access times (220 or 300 nanoseconds) the power consumption is less than 24 mW in standby. The device will operate over a temperature range of 0 to 70 degrees Celsius from 4 Between Towns 1, Cowley, Oxford OX4 3NB 5 771431).

NAVIGATION

Ready as it goes

MARINE beacon has been used so that it will not interfere more than 5 degrees from vertical and will thus keep light and radar reflector clear in rough seas to ship's operators.

The beacon has been especially designed for marking dredged channels and narrow harbour reaches where it is important that the light is constantly on.

It was first tried in the harbour at Genoa and is now in operation there.

surface of the water can range from two to six metres and the beacon can be anchored in depths between 5 and 50 metres.

A non-rotating anchoring unit incorporating an expanded PVC flotation device is claimed to enable precise positioning of the beacon which may be connected to the main harbour lighting system. A mooring chain is not necessary.

The beacon was designed by Resinex S.P.A. via per Rovato 20, 25049 1550 (Brescia) Italy.

SECURITY

Alarm given by pocket transmitter

A NEW approach to the problems of individuals with security responsibility who are held up in attacks when carrying a VHF transmitter has been made by Arma Systems.

From a small radio transmitter the size of a bar of soap kept in the pocket or handbag, a signal can be radiated up to 200 feet and picked up by a fixed receiver permanently installed on the premises. This will then sound suitable audio or visual alarms or if necessary connect to another communications link to bring police or other security aid.

A large number of the transmitters can be operated in the premises if need be because although only a handful of frequencies are used in the upper VHF band, digital coding gives each of the pocket units a specific channel. There are 180 codes so that with the limited range there is little possibility of interference between separate systems in the same locality.

Typical applications are for nightwatchmen and patrolling security men, garage forecourt attendants using isolated kiosks (where wired systems are diffi-

cult due to concrete channelling and the presence of nil), public transport and lorry crews, and possibly in old persons' residential homes.

Although mobility is the main advantage of radio, the equipment can also be used with sensors and transmitters in fixed positions at door and window openings, cash tills or to protect racks of garments. Glass protection (vibration) and heat detection sensors can also be provided.

The company also expects sales to domestic premises because although an expenditure of several hundred pounds is involved, the items can simply be unscrewed and taken with the owner should he move house. Fitting is stated to be at DIY level and the only additional requirement is a Home Office licence costing £5.50 for a year.

Arma claims that jamming is impossible — any attempt to do so simply sets off the alarm. The company is at 6, Cale Street, London SW3 3QU (01-881 1611).

BANKING

Tester for magnetic code lines

EQUIPMENT for testing the magnetically striped plastic cards used with automatic cash and banking systems has been developed by Cambridge Consultants for a major bank.

Simple and quick assurance for these cards is essential if the new automatic banking systems are to be successfully introduced. Implications of failure of thousands of cards in service would be enormous, both financially and in terms of customer dissatisfaction.

Although an international specification of precisely what constitutes a satisfactory working card has yet to be generally agreed, practical criteria have been established jointly by the client bank and Cambridge Consultants. The card tester uses these criteria automatically to determine whether or not the card is likely to give satisfactory service to the customer to whom it is issued. To make it truly representative of the 24-hour automatic banking machines newly installed in this country, Cambridge Consultants' card tester uses the same card reader/writer module.

The machine can bulk-test cards before issue and check cards rejected in service. To bulk-test, an operator loads the tester with a batch of cards. Each individual card is then automatically fed through the reader/writer. A signal of known amplitude is encoded on each card, and this signal is read from the card, checked, and stored in a digital memory.

If the signal level is acceptable throughout the card, this indicates that the card is likely to perform satisfactorily in use and so is delivered in a bin for issue.

To check individual cards which have been rejected or returned by a customer, a trained operator feeds the cards into the machine one by one and examines the stored signal on a display oscilloscope to see where the fault lies. To make it easier to determine the location of the fault this is highlighted by a second marker trace on the oscilloscope.

This machine is the first for testing cards on issue and has aroused interest not only from banks but also from card and card machinery manufacturers.

Cambridge Consultants, Bar Hill, Cambs CB3 8EZ, Crafts Hill 0954 62466.

COMMUNICATIONS

Building Europe's data connections

LOGICA, a major U.K. software and system group with a special flair for communications and network problems, will play an important role with a six-member European consortium chosen unanimously by the nine EEC countries as the main system contractor to establish the Euroret data packet switching network for Europe.

The importance of the move is that packet-switching makes the most economical use of line facilities and allows computer to "talk" to computer at high speed regardless of make or there have been several announcements of machines right at the top of the range.

Now Burroughs has brought out two top-flight machines — the 7811 and 7821 — which come at the summit of the 800 series and represent a gain in performance of up to 2 1/2 times that of the machines they replace. Prices for average systems run from over £1.6m. to over £2.5m. between the two models, the first having one central processor and one 28-channel input/output processor and the second doubling up on both.

However, it is possible to run systems with multiple processors and memory modules to meet customer needs, each system being expandable to a maximum of eight processing units.

Customer deliveries are scheduled for the first quarter of 1978.

Design of the new central processor takes advantage of recent advances in component technology to improve the speed with which essential programs and essential data can be made available to the processing units by pre-fetch techniques.

Total main memory is over 64 Megabyte and the processor can handle up to eight data communications processors. These, in turn, can handle up to 2,048 data links.

All this adds up to a vast amount of central power, but also to very extensive capabilities to operate a network of intelligent terminals with a lot of local processing power.

More from Burroughs on 01-759 6522.

HEATING

Industrial fuel loss cut

ACTUAL reductions in heating bills of more than £300 over just a two-month period have been recorded by a Newcastle furniture warehouse, as a result of fitting Stripdoor curtain doors to loading bay entrances.

The results exceed expected savings forecast in studies carried out for the firm, Fenwick, Killingworth, Newcastle-on-Tyne, both by the manufacturers of the gas heaters used, as well as by an independent consultancy, before the doors were fitted.

For the main loading dock entrance as an example, Fenwick reckoned that on average this was opened for a minimum of one hour every day. The gas heater suppliers calculated that the heat lost through this 20m² entrance during that hour would be between 268.4 and 1,208 kW, depending on weather conditions — representing at the time prevailing cost per therm, a loss of £1.08 to £4.85 per hour.

The firm of consultants worked independently on a more detailed annual calculation, using average temperature differentials over a 30-week heating season. They estimated an annual cost saving of about £510 if curtain doors were fitted.

However, charges for gas over a recent two-month period show a total saving of 2,600 units at a cost of £308 compared with the comparable period last year. Purchase and fitting of the doors gave a total cost of about £774. Meanwhile, loaders and workers are able to work in dock temperatures of around 57 degrees F compared with around 50 degrees F.

In Stripdoors, the strip used is extruded to finished width and is slightly curved in section — not cut from flat sheet. This eliminates any sharp edges and results in a more snug seal between overlapping strips.

More from Newman Industrial Controls, Upper Mills Industrial Estate, Stonehouse, Glos. Stonehouse (045 382) 3771.



UPTO 18 METRES STRONG

GK (South Wales) Ltd, Castle Works, Cardiff, Tel: 0222-33033 Telex: 49316 (A member of GKN (Haber & Bright) Steel Ltd)

TRANSPORT

Tortoise can go anywhere

DESIGNED MAINLY for surveying, forestry transport and land reclamation work, the Seiga Tortoise can cross almost any terrain including water, ice and mud.

Four balloon tyres support the vehicle. Made of polyester fibre/rubber, each tubeless tyre has 12 35mm deep treads. Tyre pressure is 1.7 to 2.2 psi, while ground pressure, with a 3-ton load, is less than 1.5 psi (only 0.6 psi when empty). Ground clearance is 2 feet.

The flat platform vehicle is 15 feet 1 inch long by 10 feet 2 inches wide, and is powered by an air cooled, 2 litre Lombardini diesel.

Steering is by a hand lever hydraulic system, with the rear wheels mounted on a turntable, actuated by two hydraulic rams. Turning circle is 31 feet 2 inches. Payload capacity ranges from 1 to 3½ tons, depending on operating conditions.

Top speed over land is 10.6 mph, and 2.3 mph on water — fitting an outboard motor will increase the sea speed, says the maker.

Joint agents for the Tortoise transporters, which can be bought or hired, are Buckley Aco, Funtley, Hants (02520 85541) and Robert Trillo, Brockenhurst, Hants. (05652 2220). It is built by A/S Seiga Harvestor Co., Set Thomas Alle 15, 1824 Copenhagen, Denmark.

MATERIALS

Packs and cups for foods

FOR GENERAL food applications, a high impact polystyrene packaging grade, designated SESA-Logica had designed primarily with a public service launch by a private system must also have been that Transpac conforms with X25, the standard adopted by CCITT, the European telecommunications authorities' standards body, while EPSS does not.

X25 has received massive backing in recent days with the announcement that IBM is offering an adaptor allowing company equipment operating within IBM Systems Network Architecture (SNA) community with any unit attached to a public packet-switched network.

COMPUTERS

Accent on networks

THOUGH users of large and medium-scale computers had started to believe that major manufacturers would be putting a moratorium on new equipment till the impact of the minis and micros could be better assessed, this belief was of short duration and in the past six months or so there have been several announcements of machines right at the top of the range.

Now Burroughs has brought out two top-flight machines — the 7811 and 7821 — which come at the summit of the 800 series and represent a gain in performance of up to 2 1/2 times that of the machines they replace. Prices for average systems run from over £1.6m. to over £2.5m. between the two models, the first having one central processor and one 28-channel input/output processor and the second doubling up on both.

However, it is possible to run systems with multiple processors and memory modules to meet customer needs, each system being expandable to a maximum of eight processing units.

Customer deliveries are scheduled for the first quarter of 1978.

Design of the new central processor takes advantage of recent advances in component technology to improve the speed with which essential programs and essential data can be made available to the processing units by pre-fetch techniques.

Total main memory is over 64 Megabyte and the processor can handle up to eight data communications processors. These, in turn, can handle up to 2,048 data links.

All this adds up to a vast amount of central power, but also to very extensive capabilities to operate a network of intelligent terminals with a lot of local processing power.

More from Burroughs on 01-759 6522.

What the new generation of computers means to the business world.

In plain language, a lot more management and financial information, faster and at a lot less cost.

The new generation of computers, developed by NCR at a cost of over £25 million, sets a standard for productivity and value for money.

Aptly named Criterion, they are a technological as well as commercial breakthrough.

'Datamation', a leading computer journal, said that Criterion "is possibly the most exciting computer announcement of the decade and shows what is possible using the latest technology in nearly every aspect of system design."

Criterion is a virtual machine so it has great flexibility and a broad range of usability. It reduces operating costs by providing the power of a large-scale system in a compact package, and is extraordinarily fast—up to 56 nano seconds processor cycle time.

It also offers virtual storage, making programming easier and more flexible. Modular growth without processor replacement. And greater on-line and multi-programming capability, enabling Criterion to do more jobs at the same time.

NCR have over 100,000 computer systems in use throughout the world. Criterion is their fifth generation of computers since they entered computers over 20 years ago. With the release of the NCR Century series, NCR became the first major mainframe manufacturer to make a commitment to complete upward compatibility of both hardware and software.

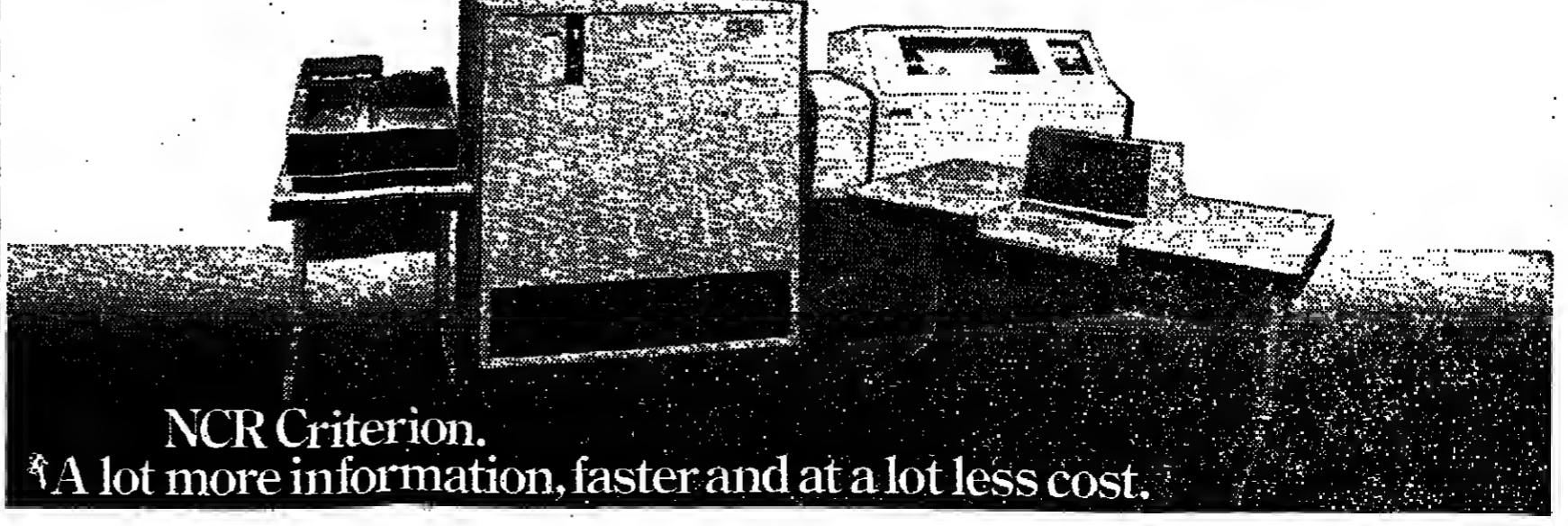
Now, with Criterion, NCR have fulfilled that promise. Century computer users can switch to the greater power and capability of the Criterion without expensive re-programming or extensive re-equipping with new peripherals.

A perfect example of NCR's promise that their systems are designed to grow with your business and with technology.

If you would like to know what this new generation can mean to your business telephone or write to Mike Croneen, NCR Limited, 206 Marylebone Road, London NW1 6LY. Phone: 01-723 7070.



Computers & Terminals



NCR Criterion. A lot more information, faster and at a lot less cost.

You can win the Power Game

With a Lister generating at from 2.75-175 kVA. end for full details to:



R.A. Lister Power Plant Ltd, Trumps Road, Glos. GL5 2SW Tel: 0453 853 5183. Telex: 43659

The Property Market

BY QUENTIN GUIRDHAM

Testing the City market for large units

Into a City of London market in which the large units are argued to now stand at a premium, Legal and General Assurance are introducing two buildings, totalling 160,000 square feet, with rents adding up to £2,150,000. Those who take the view that the quality of space, rather than exact location, is the main criteria these days, would bet on a letting first for the 85,000-square-foot St. Mary's Court blocks at St. Mary-at-Hill, London EC3. They could also argue that while the site overlooking Billingsgate Fish Market is hardly old City prime, it is reasonably close to the commodity markets and to Lloyd's.

The more central building, however, is the assurance group's head office building at Temple Court, Queen Victoria Street, EC4, but then, even with an expensive refurbishment and new air-conditioning, this is a Fifities building and hardly an architectural masterpiece. L and G will remain in six floors and 75,000 square feet are to let. Space has been left for a large banking hall, should there still be clients around who use expensive City space as hall.

Agents Richard Ellis are involved on both blocks, being joint agents on Temple Court with Westoerall, Green and Smith and the sole agents on St.

Mary's Court. The rents being asked come out at £11.75 a square foot, total £1.1m. on St. Mary's and, taking just the office content, £15.14 a square foot on Temple Court, total £1.15m. a year, but that is ignoring 18,000 square feet of basement storage with some car parking.

Neither rent is exactly modest, but the City market has been persuaded that, however slack demand has been for anything but the best smaller units, there is an impending dearth of 50,000 square foot-plus blocks. With the big U.S. banks mostly settled, the other foreign bankers are looked at as potential clients, plus, inevitably, the insurance sector. Of the around half-dozen larger units on or coming on the market, Legal and General is in the unusual position of having two of the key letting situations on the market this year. (The Post Office pension funds also have a funding interest in part of St. Mary's Court.)

If the top end of the market is looking stronger, then the demand from users to buy their own small units continues. Ellis has again been involved in one of these sales, acting for the Peter Minet Trust in selling the freehold of 13 Austin Friars, EC2 to P. S. Refson, bankers, for around £600,000. The building is 7,640 square feet with a listed frontage (the Minets had been occupiers or owners of the premises since 1783 and re-built in 1873). Daxson and Partners represented Refson.

Three other lettings announced to the City this week have been Bank of Nigeria's taking of 30,000 square feet of the Provident Life Association block at 248, Bishopsgate, where something close to £250,000 was obtained. Droza and Wright and

Richard Saunders acting for Provident Life and St. Quintin's for the bank; Tim R. Miller and Son (Insurance) has taken 13,000 square feet in Curator House, Leadenhall Street (Bernard Thorpe and Partners acting for the institutional owners); and Equity Capital for industry rent on 3,000 square feet in Leith House, Gresham Street was given as £9.54 a square foot by Knight Frank and Rutley, acting for City of London Real Property, with St. Quintin's acting for ECL.

specify much, but did call for a fresh approach by local authorities in land use decisions, and to making available suitable cheap premises for small businesses.

In most of the areas concerned, the inner parts of Glasgow, Tyne Wear, West Yorkshire, Greater Manchester, Merseyside, the West Midlands and London, the authorities are already looking for ways to provide cheap space. What Shore added on the subject of how they should do this was his proposal to establish partnership arrangements between central government and the authorities concerned. "I would not rule out the possibility if local authorities wished it, of an agency working with local government, perhaps undertaking specific tasks like industrial development or a major piece of redevelopment."

So the Environment Secretary is saying that central Government, as well as local authority funds will be needed to provide the infrastructure and buildings to attract profitable businesses back to the cities. The trouble, as he admitted, was where the money would come from. "There is, I regret to say, no extra money available waiting to be earmarked for inner cities. So for the next few years any extra expenditure will have to come from within the totals of public expenditure which we have already set."

Redirecting central government funds will be hard enough, and getting local authority agreements to reallocate and redistribute within present budgets harder still. So private sector industry, and developers, probably need not worry much about subsidised competition for a while.

The main point for them is that Shore has provided them with plenty of ammunition for contesting planning hold-ups. "We are only just beginning to appreciate that too many jobs were lost through the buying-up of small firms in the course of redevelopment, firms which just

disappeared. It is now apparent that our planning policies should be more sensitive to industrial and employment requirements." Those who in the past have tried and failed to get planning consents for significant industrial and commercial projects, and have seen the projects abandoned as a result, will have more ammunition on their side if the economy picks up and expansion plans return.

What they have not got yet is any formal change of policy, and one thing they won't be getting is a complete reversal of regional policy. "In the Midlands and the South, we must accept the prior needs of the Assisted Areas," said Shore.

change in investment market during MLR's rise and fall, and "the continuing level of demand continues to depress yields." The yields Strutt's put at currently 4 1/2 per cent, for farms sold on a lease-back geared to full market rent, but down to 2 or 3 1/2 per cent for let estates where existing rents are low.

Having moved to their new centre at Camden Town, the Kinu Edward's Hospital Fund, through Miller Parker May and Rowden, have let the entire office of 19,000 square feet on the first, second and third floors at 24/25 Nutford Place, London, W.1, on a 10-year lease subject to review. The rent originally quoted was £90,000 per annum exclusive. The tenants, McCormick Richards Partners (advertising agents) formerly of Bedford Row, were represented by Douglas Good and Partners who have been instructed to sub-let the first floor of about 6,000 square feet. The created profit rent has now been sold to the landlords, Property Holding and Investment Trust. The landlords were represented by Norman Hirstfield Ryde and Browne while Miller Parker May and Rowden and Frank Swain acted for the Fund.

Two London hotel deals handled by Druce and Co., on instructions from Norfolk Capital Hotels it has sold the Shaftesbury, Nonmouth St., W.C.2 (193 bedrooms) to a private company for £37,500, and for a Channel Island client has sold the Hobbs, Hammonds and Huttons Hotels, in Belgrave Rd., S.W.1 (total 162 bedrooms) for £560,000.

Kane Developments of Colesbill, Birmingham, have started a £14m. development of Fordhouse Road, Wolverhampton, with potential factory space of 140,000 square feet. Construction will start soon on a 45,000-square-foot factory for Federal Electric, and Squire's Steel, a subsidiary of Jeavons-Cooper, have submitted plans for a factory extension on the site of 12,500 square feet.



The Brighton office market has been slack and there are several schemes built up to the 10,000 sq. ft. ODP limit waiting for tenants. Some are not too well located, but the authority might eventually rescue them with its present option to any further office developments. This building, however, is in the right place, at 39, Old Steine, and has now 1 following completion last July. Said to have once been a stable block for the Pavilion Hotel, the building was used as a car showroom before being bought by Bovis, which has done an extensive conversion, including getting in an extra floor, what was the showroom space, producing 5,375 sq. ft. of office plus some basement. Asking terms were £25,000 a year as Bovis say they got close to this from their tenants, a firm-chartered patent agents. On the office space the figure probably a bit over £4 a sq. ft., and while there are plenty asking rents in Brighton in the £4-£5 a sq. ft. range, there has not been many lettings achieving this. Bovis will now look to sell the investment, its joint letting agents were Graves & Picher, of Brighton, and Richard Ellis.

Shore: more talk, but no promises

The speech by Peter Shore, the Environment Secretary, in Bristol on Wednesday has already come in for stick from those who say that, if you want to do something about inner cities, more talk is unnecessary, and from those who say he is trying to turn the clock back to a time of high density urban areas, something which is neither desirable nor possible. Still, in monitoring the thoughts of Government, the speech provides a few more clues to likely property decisions.

He said his first objective, before housing, schools and the like, was improving local economies. He emphasised help for small companies and named the theory that industrial companies were the only ones to worry about. "Many of them will be firms in the service sector which has a large contribution to make to inner city employment, but some of them should be industrial firms."

How to do this? Shore did not

OUT AND ABOUT

Acting on behalf of the Receiver to Industrial Building Developments, agents Jordan, Imprey, Charlton and Co. has sold a partially completed factory of 25,000 square feet at Hampton, to Stax International, who propose to complete the building to their own specifications. The sale price was £70,000. Jordan, Imprey, Charlton has also let a 28,000 square feet former car showroom and store at Southmoor Road, Wythenshawe to Habitat Designs which will use 12,000 square feet as a retail store. Starting rent is close to £30,000.

Agents Strutt and Parker have issued a preview of the year. Among their forecasts are: For commercial property: "With the new allocations of money being made available to the major institutional investors the imbalance of supply and demand will keep yields at or about 6 per cent for the best propositions. We do not foresee any improvement in the overall level of rents until such time as the economy improves, but that when this happens there will be a sharp rise." For farm land: No

INDUSTRIAL AND BUSINESS PROPERTY

WEST END OFFICES TO LET

W1	Duke Street	6,800 sq.ft.
	Regent Street	3,600 sq.ft.
	Hanover Square	48,750 sq.ft.
SW1	Pall Mall	10,000 sq.ft.
	Vauxhall Bridge Road	4,500 sq.ft.
	Buckingham Palace Road	3,600 sq.ft.
WC2	Leicester Square	67,000 sq.ft.
	Bedford Street	33,750 sq.ft.

Warnford Court Throgmorton Ave. EC2.

High quality office suites are now available for letting in this well known modernised building opposite the Stock Exchange. Suites are ready for immediate occupation and include suspended acoustic ceilings, light fittings, fitted carpets throughout.

Units available from 250 sq. ft. up to 5,000 sq. ft.

For further details apply: Main letting agents

ALLSOP & CO
6 Poultry London EC2R 8ET
01-248 1451

FREEHOLD INVESTMENT

Superbly modernised fully air-conditioned City offices 4715 sq. ft.

Let to old established firm of Solicitors at £40,000 p.a.

PRICE £560,000

Sole Agent—
DRUCE
23 MANCHESTER SQ. LONDON W.1. 01-484 1252 REF. M.C.G.

Factories & Warehouses

CHESHUNT, Herts.
Single Storey Factory 6,650 sq. ft. TO LET

COVENTRY
Factory and Offices 53,500 sq. ft. FOR SALE

ENFIELD, Middx.
22,000 sq. ft. New Warehouse Unit TO LET

FELTHAM, Middx.
New Single Storey Warehouse 29,500 sq. ft. TO LET IMMEDIATE POSSESSION

LONDON, S.W.6.
Offices or Shop Building 1,285 sq. ft. FOR SALE or TO LET

MALDON, Essex
9,100 sq. ft. (may divide) Modern Factory Premises TO LET or FOR SALE FREEHOLD

NEWHAVEN, Sussex
5,400 sq. ft. Factory on one acre site FREEHOLD FOR SALE

SOUTHAMPTON
Single Storey Factory Premises 100,000 sq. ft. Site area 7 1/2 acres (development potential) FOR SALE or TO LET

King & Co
Chartered Surveyors
25 Abchurch Lane, London EC4N 3DF
Tel: 01-353 8551
Telex: 25916

HE Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292
CITY OF LONDON 18 OLD BROAD STREET LONDON EC2N 1AR
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

monklands district council

invites offers for the development of **AIRDRIE TOWN CENTRE** (Graham Street Redevelopment)

The Graham Street Redevelopment comprises a complete street block within the heart of Airdrie Town Centre. This is a prime commercial site of approximately 1.7 acres with 350 feet frontage to Graham Street, (A89), conveniently situated near town centre parking and bus station facilities.

Airdrie lies 12 miles to the east of Glasgow City Centre and together with Coatbridge forms the principal urban area within Monklands, which has a population of 110,000, making it one of the largest districts in the Strathclyde Region.

Monklands District Council now invites offers for the development of the important town centre site.

A detailed development brief, incorporating the terms of offer required, is available on request from: A.J. Cowie, O.P.T.P., M.R.T.P.I., Director of Planning and Development, Monklands District Council, Redhills, Lead Street, Coatbridge ML5 3LJ Telephone: Coatbridge (0236) 24941, Ext. 258. The closing date for receipt of all offers is noon on 23 March, 1977.

HARDWICK INDUSTRIAL ESTATE

KINGS LYNN NORFOLK

Headquarters Factory Warehouse & Offices
80,000 sq. ft. on 10 acres (might divide)

FOR SALE or TO LET

FULLER PEISER
3-4 Holborn Circus London EC1N 2HL
Tel: 01-353 8551
Telex: 25916

HAMMERSMITH W.6.

OFFICES TO LET
11,000 sq. ft./ 40,000 sq. ft.

IMMEDIATE POSSESSION

* Automatic Central Lifts * Car Parking
* Full Gas Central Heating * Carpeting

SOLE AGENTS
ALLSOP & CO
21, Echo Square, London W1V 6AX 01-437 0977

Herring Son & Daw
Chartered Surveyors
209, Tottenham Court Road, London W1P 0LJ 01-734 8155

MANCHESTER DELTA HOUSE, WYTHENSHAW

32,500 sq. ft. modern offices on 4th-7th floors. Marble lined entrance hall, high-speed lifts, central heating, acoustic tiled ceilings, 37 car parking spaces.

Good access to central Manchester, Ringway Airport, M56 and M6.

W. BERRY TEMPLETON
PROPERTY CONSULTANTS
47 Great Russell Street, London, WC1B 3PA. Telephone: 01-637 4577.

BASINGSTOKE PADDINGTON HOUSE

MODERN OFFICES IN TOWN CENTRE LOCATION 14,000 SQ. FT.

TO LET At the attractive rental of £2-50 p.s.f. for the 1st year WILL DIVIDE

HE Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292
CITY OF LONDON 18 OLD BROAD STREET LONDON EC2N 1AR
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

By Direction of The National Westminster Bank Limited

AMERSHAM Buckinghamshire

Outstanding Freehold Office Premises

In the Central Shopping Position
In all about 1,800 sq. ft. Nett
FULL VACANT POSSESSION
FOR SALE BY TENDER
Closing Date 16th March 1977

Agents:
HETHERINGTONS
Amersham (02903) 5711

BURNLEY LANCASHIRE

Freehold industrial sites from 1 to 13.75 acres

For sale, freehold building sites on an established industrial location about two miles south of the town centre.

King & Co
Chartered Surveyors
Tottenham House, Mount St., Manchester M2 0NT
Tel: 061-832 4865
Telex: 867957
London: Leeds, Brussels

CATFORD S.E.6
Modern and refurbished factories with offices on small estate. Available in units from: 10,000 TO 78,000 SQ. FT. TO LET

WANDSWORTH S.W.18
Last remaining unit on Private estate. Completely refurbished with new offices. 20,370 SQ. FT. FOR SALE OR TO LET

for full details apply
J. TREVOR
59 Grosvenor Street, London W1X 0DD
01-629 8151

MODERN WAREHOUSE INVESTMENT W. MIDLANDS

1st Class tenant
2 miles M5. Leasehold Fixed G.R. Initial Yield 8.4%. Valuable Review in 1979 to estimated yield 18.3% £145,000

Cheshire Gibson & Co.
16, Berkeley St., London W1X 5AE. 01-492 8750

FOR SALE Lowton, Lancashire

3 miles M6 Motorway
Modern mainly single-storey Industrial Premises 29,600 sq. ft.

Dunlop Heywood & Co.
Chartered Surveyors
90, Deansgate, Manchester
061-834 8384

مكتبات الامارات

What's in this property ad.....?

The Financial Times

ST. MARY'S COURT

THE ONLY MAJOR NEW HEADQUARTERS BUILDING OF 85,222 SQUARE FEET IN EC3 TO LET



**ST. MARY'S COURT
ST. MARY-AT-HILL, EC3**

- Self contained
- New building
- Fully carpeted
- Fully air-conditioned
- Tinted windows
- Double glazing
- Car parking
- High speed lifts

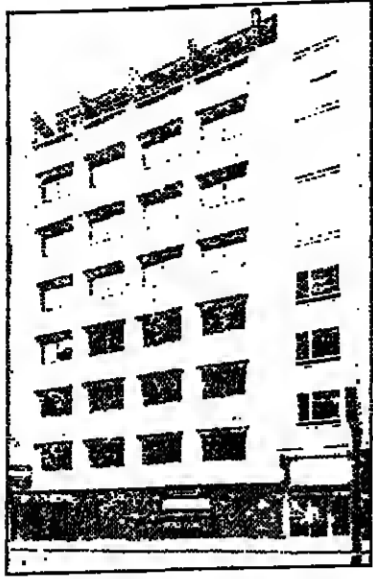
- Prestige Entrance Hall
- Close to all City Markets
- Sub floor ducting for power and telephones
- Male and Female toilets on each floor

For further information please contact sole letting agents:
Richard Ellis, Chartered Surveyors
64 Cornhill, London EC3V 3PS 01-283 3090



Richard Ellis

City and Holborn Offices To be Let



Fenwick House, WC1

8,319 sq.ft. approx.
Fenwick House,
High Holborn WC1
New air-conditioned building.

950 sq. ft. approx.
Strand WC2 (off)
Modernised office suite. Carpeted.
VIEWS OVER RIVER THAMES.

670 sq. ft. approx.
Cannon Street EC4
Double glazing. Electric heating.

6,850 sq. ft. approx.
City Road EC1
Newly redecorated. Car Parking.

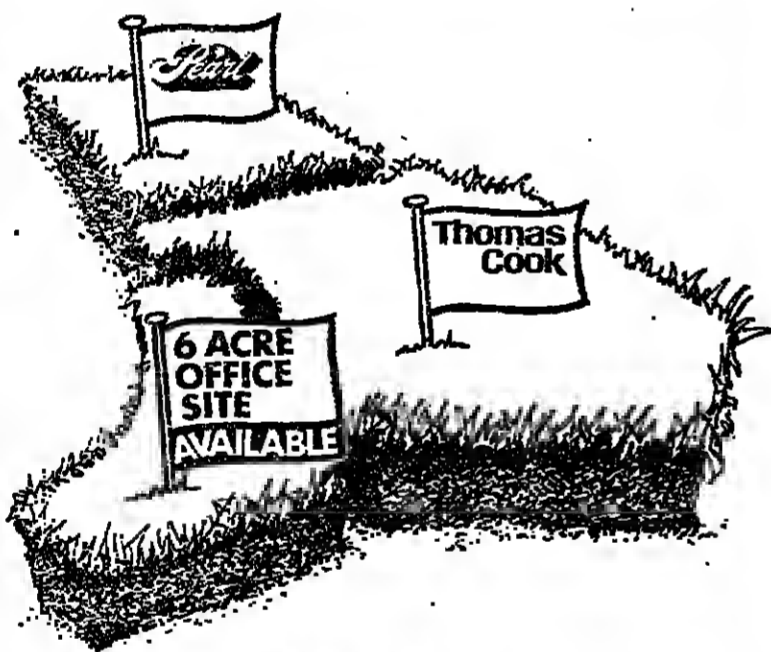
6,200 sq. ft. approx.
Moor House,
London Wall EC2
Prestige Entrance. Car Parking.

1,971 sq.ft. approx.
Lime Street EC3
Lift. Central Heating.
Close to Lloyds.



Moor House, EC2

Knight Frank & Rutley
7 Birchin Lane London EC3V 9BY
Telephone 01-283 0041 Telex 265384



You get neighbours like this at Thorpe Wood, Peterborough

Already the choice of internationally known companies, Thorpe Wood is an outstandingly attractive office park - at the hub of new urban motorways, next to the River Nene and a new golf course, close to lakes which will be the centrepiece of a park six miles long. Housing guaranteed for all existing staff.

Ring John Case, Chief Estates Surveyor
0733-68931

Or Write
Peterborough Development Corporation
P O Box 3 Touthill Close City Road
Peterborough PE1 1UJ

Factories 'TO LET' at Northampton

Unit factories, 3000-40 000 sq ft, will be ready for occupation this summer. Other sizes from our off-the-peg range, or factory sites if you prefer to build your own.

Northampton is about 60 miles up the M1, and your new factory will be five minutes from junction 15.

Easy access to London and Birmingham.

Plenty of houses to rent and to buy.

Office buildings and sites available.

All the facilities of an established town.

Further information from
L Austin-Crowe BSc FRICS,
Chief Estate Surveyor, Northampton
Development Corporation,
2-3 Market Square,
Northampton NN1 2EN,
0604 34734.

VISIT OUR EXHIBITION AT
Scratchwood Travel Lodge
SCRATCHWOOD SERVICE AREA
17 March 1977
11 A.M. TO 7 P.M.
ADMISSION FREE

ST. JAMES'S - £7.50 p.s.f.

SELF CONTAINED
OFFICE BUILDING
8,090 SQ. FT. APPROX.
TO LET

- * CENTRAL HEATING
- * CARPETED
- * LIFT
- * REDECORATED THROUGHOUT
- * PART AIR-CONDITIONED

Healey & Baker
Established 1820 in London
29 St. George Street, Hanover Square,
London W1A 3BG 01-629 0292
CITY OF LONDON 110 OLD BROAD STREET LONDON EC3N 1AF
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & JERSEY

JAMES LANE WOODTON
Chartered Surveyors
103 Mount St, London W1Y 6AS
Tel: 01-493 6040. Telex: 23858

READING
FACTORY 23,000 sq. ft.
INCLUDING ABOUT 6,000 SQ. FT. OFFICES
On Established Trading Estate

Gibson Eley
Apply
16/18 Friar Street, Reading
Tel. 0734 583945
Telex 847386

BRIGHTON
LIGHT IND./WAREHOUSE
UNITS TO LET
4,000-27,000 sq. ft.
Further Details
Commercial Dept.:

CEO WHITE
EST. 1889
28/29 SHIP ST., BRIGHTON.
(0273) 29116

FOR DISPOSAL BY INSTRUCTION, COMPANY WHOSE ASSET IS A VALUABLE SITE SITUATED IN THE CENTRE OF SCOTLAND TOURIST AREA WITH PLANNING PERMISSION FOR LEISURE CENTRE INCORPORATING SHOPS, FILLING STATIONS, STATIC AND TOURING CARAVANS.

THIS PROJECT WOULD SUIT COMPANIES INVOLVED IN THE LEISURE INDUSTRY OR, ALTERNATIVELY, INDIVIDUALS WISHING TO ENTER THE LEISURE INDUSTRY.

WRITE TO BOX NO. T4539, FINANCIAL TIMES, 10, CANNON STREET, EC4P 4BY.

HALL & CO
RUISLIP, MIDDLESEX H24 7AP
RUISLIP, MIDDX
SELF-CONTAINED FIRST-FLOOR
OFFICE SUITE
approx. 2,374 sq. ft. nett
Gas Central Heating, Fully
Carpeted, Parking for 5 Cars
To Let in New Prestige Office Block
Adjacent to Ruislip Station and
High Street
Telephone: Commercial Department
Ruislip 74111

Piccadilly Coventry Street
Prestige Shop Units TO LET

Richard Ellis **DE&JLEW**
Chartered Surveyors 01-930 1070
6-10 Bruton Street London W1X 8DU Estate House 130 Jermyn Street London SW1Y 4UL
Telephone: 01-499 7151

BLACKFRIARS ROAD
First Class
OFFICE/WAREHOUSE INVESTMENT
Income £30,000 p.a. excl. from two good covenants
Rent Review 1979
FREEHOLD £300,000 o.r.o.
Apply Ref. PTP, K. N. Martin & Co., 2/4 Widmore Road, Bromley, Kent, BR1 1RY.

BARKING, ESSEX
Modern warehouse with offices
26,000 Sq. Ft.
with 30,000 sq. ft. hardstanding
TO BE LET AT REASONABLE RENT
Sole Agents:
NORMAN HIRSHFIELD RYDE & BROWNE
83-85 George Street, Portman Square, London W1H 6AL.
01-486 4601

UNDERWOODS
CHEMISTS AUDIO & PHOTOGRAPHIC DEALERS
NOW REQUIRE
PRIME SHOP/STORE UNITS
IN CENTRAL LONDON
AND WITHIN A 50 MILE RADIUS
OPTIMUM SIZE:
CENTRAL LONDON 1500-10000 SQ.FT.
GOOD SUBURBS NOT LESS THAN 8,000 SQ.FT.
AGENTS GLADLY RETAINED.
CONTACT H. WOOLF 01-794 4032 OR B.P. KERNER 01-584 3296
205 BROMPTON ROAD, LONDON SW3 1LA

PORTMAN SQ. W.1
Entire first floor in modern office building
7,350 sq. ft.
FULLY PARTITIONED, ALL AMENITIES,
PRIVATE CAR PARK
Sole Agents
DE&JLEW
01-930 1070
Estate House, 130 Jermyn Street, London SW1Y 4UL

OXFORD CIRCUS W.1
(CLOSE)
EXCELLENT OFFICE BUILDING
REFURBISHED TO A VERY HIGH STANDARD
SQ. 13,157 FT.
With Ground Floor Showroom—5th Floor Penthouse
Prestige Entrance Hall C/H Passenger Lift

NEW LEASE £70,000 p.a.ex.

Davis & Co
62, Berners St. London W.1P 4DX
Telephone 01.637 1061

FACTORY BUILDING AT 10 COLOMENDY ESTATE, DENBIGH NORTH WALES

Standing on TWO Acres of Freehold land and fronting an Estate Road with mains electricity, water and drainage, in a Development Area with vacant possession.

An uninterrupted Factory Floor area of 7,000 square feet plus Office and Utility Accommodation 700 square feet; total 8,500 sq. feet. Height to eaves 15 feet; 23 feet to Ridge. Fully insulated to a standard four times better than conventional brickwork; having two main access doors and roof lights providing natural daylight.

Site prepared for a further extension of the same floor areas as the existing, and includes a prepared concrete base and foundations for additional bays.

Built in 1972
Price £77,000
Alfred Halliwell & Son (Chester) Ltd.,
115 Long Lane, Chester, CH2 1JF.
Tel: Chester 0284 4786.

15% FREEHOLD INVESTMENT
A11, E15, Corner Site and adjoining Brick W/stop.
P.P. 1965 Showroom, Offices & Flat (not implemented).
Written Valuation September 1976 £40,000.
Tenants Open Site Car Dealers.
Same Proprietors 25 years, 21 years lease from 1969,
7 year reviews, full R.L. Current Rent £4,500.
FREEHOLD £30,000
FORRARD INVESTMENTS LTD.,
4, Stock Road, Billerica, Essex CM12 0BQ.
Tel: Billerica 51261

FREEHOLD COMMERCIAL INVESTMENT FOR SALE
CENTRAL MANCHESTER
FULLY LET TO PUBLIC COMPANY PRODUCING
£15,000 p.a.
OFFERS TO £135,000
Details from:
P. S. GREEN, P.O. BOX 4, ALMSHOUSE LANE
WAKEFIELD, WEST YORKSHIRE

مكتبات الامارات

The Management Page

until last year the Bradford headquarters of the world's biggest wool textile concern was run by two brothers from the South of France. Now inherited by a film star's ex-wife, the group is being reorganised. Rhys David reports

Illingworth Morris changes gear

HERE HAS been a lot of competition in recent years for the management of the most difficult task in British textiles. But few people can have been confronted with quite the range of complexities that have faced Mr. Ivan Hill, for the past nine months as chairman of Illingworth, Morris, the Bradford wool textile group which is the world's biggest wool textile concern.



Mr. Ivan Hill, chairman of Illingworth, Morris

Mr. Hill is the man who was brought back to the group last year to pilot through much needed structural changes. This involved a number of years of control management by controlling shareholders, Mr. Ostrer and his brother, both of whom lived in the South of France and died just over a year ago.

U.K. wool textile production centres, and the pace of acquisition has continued in the 1970s. Woolcombers, which accounts for almost half Yorkshire's production of tops (combed wool for spinning) was acquired in 1972 and, with the expenditure of considerable management effort and time, has been successfully turned round and made profitable.

The two most recent acquisitions were Troysdale and Mallinsons, two Yorkshire companies. They were bought in 1973 and have again brought problems, contributing nothing to group profits during the past two difficult years. The group also has minority interests through the Ostrers' share purchases in four other Yorkshire wool textile concerns—British Mohair Spinners, Hield Brothers, Yorkshire Fine Woollen Spinners and British Cotton and Wool Dyers' Association. The company has even made excursions

across the Pennines into Lancashire cotton textiles, and purchased Joshua Hoyle, one of the leading U.K. manufacturers of indigo-dyed denim fabric, and into clothing.

As senior managers in the company now point out, every few years they have been faced with the task of sorting out the managerial and other problems of newly-acquired companies at a time when they should have been fully occupied planning the growth of the existing group.

A heavy debt burden is another legacy of this policy of acquisition. In order not to dilute their shareholdings, the Ostrers financed purchases by bank borrowing with the result that at times the company had been starved of the finance required to maintain as full a programme of investment as local managers would have wished. But although when split out in this way the problems seem daunting, Illingworth, Morris has been able, partly as a result of Hill's return, to move quickly towards re-organisation. Hill is a lawyer who has spent most of his working life in textiles. He was brought into the group in the late 1960s by the Ostrers to help sort out problems in the present deputy chairman, Donald Hanson, he helped pilot through the difficult re-organisation that was required at Woolcombers. Hill was then appointed deputy chairman of the whole group and became the Ostrers' link-man. But proposals he drew up to rationalise the group's structure came up against the Ostrers' reluctance to implement changes, and he retired from the group two years ago.

task of putting into practice an updated version of his earlier proposals for streamlining the groups. "The vital talks have been to convert what was basically a rough association of companies into a co-ordinated enterprise and to achieve this a new top management structure has had to be devised," says Hill who stresses his intention, despite his age, of being more than merely a stop-gap chairman.

Four distinct but inter-related major activities of the business, plus three lesser activities, have been separated out as divisions and four group managing directors appointed to run them. Purchasing of raw materials, representing the first stage in the production chain, forms one division, combining and spinning another, worsted manufacturing and cloth merchandising the third, and woollens manufacture the fourth.

This approach means, Hill points out, that each managing director has roughly one quarter of the group's assets of around £50m. under his control—businesses which by themselves would be big by wool textile standards. The opportunity has also been taken to strengthen top management personnel with several new appointments. Mr. Donald Hanson, now in charge of combing and spinning, and Mr. John Tanner, an ex-Courtaulds executive who is in charge of worsted manufacture, have been joined by Mr. John Hopkinson, also from Courtaulds, as managing director for purchasing, and by Mr. Peter Hardy, from the group's West of England companies, who runs woollens. Together with Mr. Jackson Sweeting, the company secretary, they form the key executive team under Mr. Hill's overall guidance.



Wool on its way to the spinning machines at Illingworth Morris

With the new structure now sorted out the divisions will be responsible for seeing that the group's financial position is greatly improved. A considerable degree of decentralisation to individual units is being maintained. This is essential in a business which depends for its success in world markets on a wide variety of products, on the reputation of its many different cloth names, and on an ability to meet the requirements of big and small customers.

Financial guidelines for each unit have, however, been tightened and the companies have been given strict ceilings for their borrowings, with a target of 15 per cent. return on capital after payment of all interest charges. Stocks are being standardised and rationalised without, it is hoped, endangering the variety of different yarns and special effects which can be offered. A much more critical look is also being taken at the use of assets and some further re-grouping of activities seems likely.

At Salts of Saltaire, the model mill built by Sir Titus Salt in the mid 19th century on the outskirts of Bradford which now serves as group headquarters, there are plans to reduce the floor space used by around one-third from the present total of nearly 1m. square feet. A reorganisation of the worsted manufacture at Huddersfield has also already been taken place, with production from four mills being concentrated in two. Similar moves in other parts of the business are expected to be made in the coming year.

Stability In seeking to implement these policies, as senior directors admit, the group is faced with a race against time. Some stability in terms of management has now been provided by Mrs. Mason's evident willingness to allow the directors to get on with the running of the company and initial fears that taxation would curtail the sale of the inherited Ostrer shares have not been borne out. Mrs. Mason's own interest in the long-term future of the company has been confirmed by the move to Britain of her son, Morgan, who has recently been made a director. The process of rationalisation itself, however, is likely to continue to generate extra costs before savings begin to be made. In addition, though considerable investment has been made in new machinery, some further re-organising out expenditure is now needed in order to take advantage of

new equipment now available, and in spinning. Finally though the group now exports some 60 per cent. of its output, it is still dependent to a large extent on the home market, which, in the words of John Tanner, could not have been won over the past year. A fall-off in demand has been accompanied by a rapid and continuing build-up in the import of suits at "market entry" prices mainly from East Europe, which has hit the group's U.K. importing customers.

A good start has, nevertheless, been made towards sorting out the group's problems, a process which, according to Hill, is likely to take up to two years. Profits have begun to recover and reached £1.53m. in the first six months of the current year, compared with only £242,000 for the whole of 1975-76. Most of the group's operations were losing money last year; Woolcombers was the only one responsible for saving the group from an overall deficit. This year, though very few parts of the group are making the required 15 per cent. return, outside forecasts put profits at over £3.5m. improvement further in 1977-78. The group's biggest profit was earned in 1973-74 when a total of £4.9m. was reached, and Ivan Hill will clearly not be happy if this figure is not soon passed. If world trade in wool textiles continues the orderly recovery of the past year there seems a good chance of this happening. As a more efficient and less indebted company, Illingworth, Morris would then be able to concentrate on organic development.

Group awareness at Delta

BY SUE CAMERON

DELTA METAL has decided to restructure its senior management in an attempt to persuade various divisions to co-operate more closely and so give greater coherence to the group as a whole. The plan now is to appoint joint managing directors whose names were announced yesterday. They will start their work in April and will be the job of co-ordinating copper and brass sides of business. The copper side will be the responsibility of Mr. Geoffrey Wilson, who is currently the financial director of the Delta group and he will oversee the cables, electrical and Enfield rolling mills divisions while retaining some responsibility for group finance.

Mr. Tom Kinsey, who is now chairman of the brass rod and components divisions, will also take overall charge of the other two brass divisions—building products and Astoria. In their new roles, both men will report directly to Lord Caldecote, chairman and chief executive of the Delta Metal group. One reason for the change is that at present no fewer than 12 people are directly responsible to Lord Caldecote, including the seven divisional chairmen. He says that this is far too many and it leaves him insufficient time to think and to plan. He reckons that under the new structure there will be much more "headroom".

It is hoped that the reorganisation will promote greater brass sections of the group. In the last few years the divisions have developed much closer relationships with the divisions manufacturing production components. But it is felt that the whole system would become far more streamlined if the various sectors were able to pool information and ideas on a broader scale. Mr. Wilson and Mr. Kinsey say they will also look for ways of rationalising the siting of their factories. They point out that it would make sense to concentrate similar types of production on a single area but they are not at all sure that this is happening at present—especially as Delta has 94



Mr. Geoffrey Wilson, left, and Mr. Tom Kinsey.

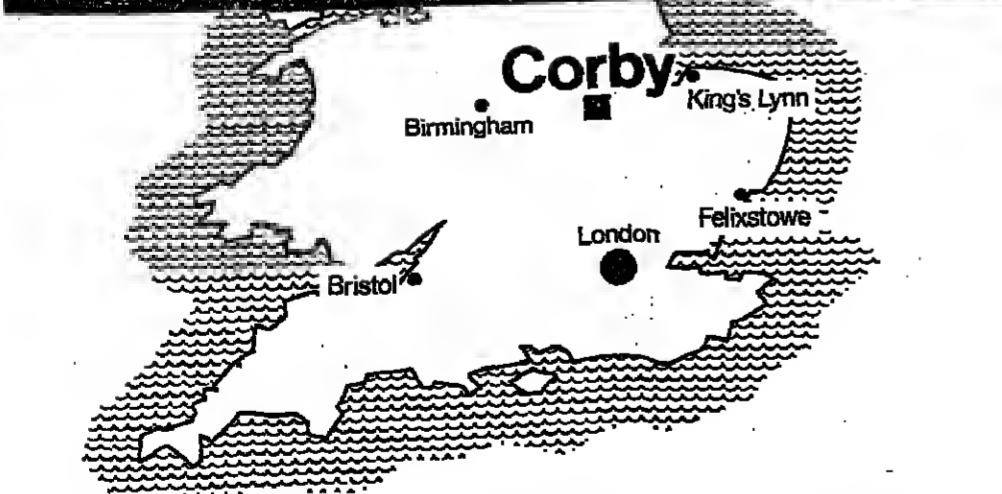
different sites in the U.K. One of the tasks that both men will have to face is sorting out the Delta group's problem areas. The group admits that difficulties do exist in certain companies but it is not prepared to divulge any names. Even those companies which have proved most profitable will not be allowed to rest on their laurels.

The first job of the new managing directors will be to learn more about the areas for which they were not formerly responsible. Mr. Kinsey says he plans to form a sub-group of his four divisional managers as a preliminary step to closer co-operation between the different sectors. Delta claims that the chairmen of its seven divisions are quite happy with the new management structure. Lord Caldecote says the reorganisation is not in any way a

reflection on existing divisional management, but he adds that in the past divisions tended to concentrate on their own profits without giving much thought to the position of the Delta group as a whole. He hopes the new structure will sharpen group awareness. The change will mean promotion and higher salaries for Mr. Wilson and Mr. Kinsey as well as for the men who will succeed them in their present posts. In the group's 1976 interim report, Lord Caldecote dwelt at some length on the inadequate rewards given to senior and middle managers. He said it was vitally important that the burden of taxation on managers should be reduced in order to restore real incentives.

But the group was quick to deny any suggestion that one of the reasons for introducing a new management structure is that it provides a way round the present pay policy.

We're in a position to help your business grow.



If you're looking for an ideal area in which to re-locate or expand your business, take a look at Corby. We're close to the industrial centre of Britain. We're within easy reach of the East Coast ports, London and Birmingham. The town is conveniently situated between major road and rail systems. We've well sited and fully equipped factories ready for immediate occupation at keenly competitive rents. Or we'll work with you through our design and build service. There's both skilled and unskilled labour available.

What's more, Corby is a mature as well as a modern town. So housing, schools, shops, public services and leisure activities are all established. And of course we've the experience and ability to offer a great deal of help and advice. So why not write for further information to K.R.C. Jenkin, F.R.I.C.S., Chief Estates Officer, Corby Development Corporation, 9 Queen's Square, Corby, Northants, NN17 1PA. Phone: Corby (05366) 3535. Whichever way you look at it, we're well placed to help you.

VALUE LINE brings COMPREHENSIVE COVERAGE of 1600 AMERICAN STOCKS to European Investors

THE VALUE LINE INVESTMENT SURVEY continually reviews more than 1600 widely held American stocks. Key data and ranking for relative future price performance of each stock are kept up-to-date in the weekly index. And about 125 new full-page reports are issued every week, so that each company is the subject of a complete report every 13 weeks. The full-page reports include operating and financial statistics going back 15 years and estimated 3 to 5 years ahead.

As a special introductory offer, you can receive 12 weeks of Value Line for only \$45, providing you have not had a subscription in the past two years. Send payment (no cash, please) along with name and address together with this ad to Dept. 48AR02

THE VALUE LINE

5 EAST 44TH ST., NEW YORK, N.Y. 10017, U.S.A. Payment in local currencies (French Fr 230, Swiss Fr 120, DM 120) and requests for information should be directed to: Value Line, Attn: A. de Saint Phalle, 2, Ave. de Villars, 75007 Paris. (Tel. 551.63.59).

If you travel abroad on business, compile budgets for international business travel, approve expenditure on foreign travel.

...keep cost-conscious with the 1977 FT Guide to Expenses for the International Businessman

The 1977 edition of this detailed study covers the expenses most likely to be incurred by travelling businessmen in 61 major business centres around the world.

Tables for each city show, at a glance: LUXURY HOTEL RATES/TOURIST HOTEL RATES/PRICES OF RESTAURANT AND HOTEL MEALS/PRICES OF DRINKS IN BARS, HOTELS AND RESTAURANTS/RENTALS AND EXTRAS FOR FURNISHED FLATS/FOOD PRICES IN SHOPS/TELEPHONE AND CABLE CHARGES/PRICES OF SEATS AT THE CINEMA, THEATRE AND OPERA.

Charges for consulting a doctor, secretarial services, car-hire, taxis, publications, cigarettes, and even the laundering of a shirt, are all priced in the local currency. To complete the picture there is a run-down on local customs and taboos which have business or social significance and a list of public holidays.

If you are involved in business travel, in any way, you should have a copy. The price is £30/U.S.\$55.

* Added data for 1977.

ORDER FOR THE 1977 FINANCIAL TIMES GUIDE TO EXPENSES FOR THE INTERNATIONAL BUSINESSMAN

Name _____ Company _____ Address _____

Please send me _____ copy/copies of the 1977 Guide at £30/U.S.\$55 per copy. My remittance for £/U.S. _____ is enclosed.

Mail this order to: Dept. GEB, Financial Times, Braekon House, 10 Cannon Street, London EC4P 4BY

Financial Times Ltd., Registered in England No. 227590. Reg'd Office: Braekon House, 10 Cannon Street, London EC4P 4BY.

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

South Africans veer gently towards Ian Smith

BY QUENTIN PEEL in Johannesburg



Rhodesians on mounted patrol.

The nuclear challenge

THE ANTI-NUCLEAR campaigners have become increasingly vocal, though not necessarily more numerous, in most of the world's industrial countries.

Popular vote A slightly different version of the same argument has been used in the U.K. to dofer a decision on the expansion of Windscale to handle the reprocessing of oxide fuel.

Candles Mr. Ralph Nader may feel that nuclear power should be stopped even if it means going back to candles, but most people are not likely to share this view.

Madrid makes it up with Moscow

THE RESTORATION of diplomatic links between Moscow and Madrid is another historic step towards the normalisation of Spain's international relations.

Compensation In today's circumstances there are obvious reasons for re-establishing formal links as a Trade between the two countries has been expanding rapidly.

Legitimacy The arguments for bringing the Communists out into the open are powerful. First, a continuing ban on the Party would provide grounds for challenging the legitimacy of the forthcoming elections.

THE BREAKDOWN of the latest initiative for a settlement in Rhodesia has caused a hardening of white attitudes in neighbouring South Africa.

Last week, only days before the hastily organised meeting on Wednesday between Mr. Ian Smith, the Rhodesian Premier, and Mr. John Vorster, his South African counterpart, the strongly Government-orientated South African television network ran a special documentary programme on Afrikaner families in Rhodesia, stressing their ties of "kith and kin" with families in South Africa.

For Mr. Vorster, the changing attitude of his electorate is a new element in the considerations which govern his own policy towards his neighbour.

Military support In March of last year, after Mozambique had imposed sanctions, the South African railway authorities declared that they could handle practically all Rhodesia's transferred traffic.

At this late stage, both British and American officials have made no secret of their hopes of continued South African support, even for a compromise departing from the Kissinger proposals.

There is no question of the ability of Mr. Vorster to bring Mr. Smith to heel, but there must be some doubt about his will to do so.

MEN AND MATTERS

From panel to planning James Cleminson widely tipped to succeed him.

Let them drink cyder Our recent item on British cowmen running a dairy farm in the Saudi desert has provoked voluminous correspondence.

When he first came to the panel job 30 months ago it was felt that with his accountancy background he might be a bit out of his depth in the world inhabited by merchant banks.

It could hardly be said however that mergers and takeovers were completely fresh ground. He was accountancy advisor to the panel from the start and as a partner in Price Waterhouse specialised in acquisitions, prospectuses, mergers and share valuations.

Takeovers have contributed to the expansion of this highly consumer oriented group which chalked up sales of £363m. in 1975, some 70 per cent of which abroad.

There is a political gulf too, spanned at Durban to handle the traffic. On the military side there is no formal agreement between the two countries, although links have existed in practice.

At that time it was understood that a few pilots remained with the squadrons of South African helicopters operating under contract with Rhodesia.

South Africa's most significant military support is undoubtedly by supply of arms, ammunition, and fuel required by Mr. Smith to contain his continually escalating guerrilla war.

Paralleling the feeling of isolation there is a growing introspection among South Africans because of their own internal problems of urban unrest following last year's riots at Soweto, where trouble flared up again this week.

Yet observers believe that there has been a noticeable hardening of South African public opinion in Mr. Smith's favour: one estimate is that whereas six months ago a very substantial majority of Afri-

kaners were prepared to back Mr. Smith short only of military intervention, and that perhaps 25 per cent were prepared to go as far as sending in troops.

Borbon Canon

The Canon of the world's largest shrine to the Virgin Mary, Rome's Santa Maria Maggiore, yesterday made his first official visit to the church in 84 years.

The magnificent Romanesque church, with heavy baroque overlay, is heavily decorated inside with gold brought back by Spaniards from the New World and the Kings of Spain have been honorary Canons of the church for centuries.

Farmkey was set up two years ago because Turner and associates, including former Farmer of the Year John Williams, saw great potential for sales of high quality animals, semen and the full range of animal husbandry services and equipment to North Africa and the Middle East.

Farmkey supplies a complete turnkey service backed up by the breeding skills of Universal Livestock which is specially interested in three old Italian white cattle breeds - the Chianina, Marchigiana and Romagnola - which are ideally suited to rather sparse pastures



"Surely Jim hasn't taken over the responsibility for English soccer too?"

Are you a controlling Director of your Company?

If so, do you know that the Finance Acts, 1970 and 1973 normally permit your Company to arrange Pension and Death Benefits on your behalf up to the following limits:-

- 1 A pension at selected retirement age equal to two-thirds of your 'final' earnings? (Part may be taken as tax-free cash not exceeding one and a half times final earnings).

AND THE COST OF SUCH PROVISION IS ALLOWED AGAINST CORPORATION TAX AND IS NOT ASSESSED AS ADDITIONAL INCOME IN YOUR HANDS?

If you would like further information, write for our leaflet "Concessions for controlling Directors."

Alexander Howden Insurance Brokers Ltd Life & Pensions Division

27 Clements Lane, Lombard Street, London EC4 4HH Tel: 01-623 7680

Oversley House, Onslow Street, Guildford, Surrey GU1 4SH Tel: Guildford 31212

With offices at Birmingham, Cardiff, Chelmsford, Glasgow, Liverpool, Manchester and Southampton.

Alexander Howden Insurance Brokers Ltd

A Member of the Alexander Howden Group of Companies

Observer

FINANCIAL TIMES SURVEY

Friday February 11 1976

UNITED ARAB EMIRATES

Abu Dhabi

benign
force
in the
region

Robert Graham

ROLE OF Abu Dhabi in the Federation of the United Arab Emirates is crucial, only is it by far the richest of the seven states, bankrolling the federal budget and the poorer states, but it is also the most populous with an official count of 1,100,000. More important still, Abu Dhabi's ruler is the man committed to the Federal Sheikh Zaid Bin Sultan Al Nahayyan has sought more than any else to mould this fissile group of States into a unitary state, so that the UAE's six years' existence has acquired an air of solidity and reflection of these efforts.

At the summer Sheikh Zaid stepped down the gauntlet, meaning not to stand for a term as UAE president. He engaged his fellow rulers to decide whether they wished the federation to continue as it was, or whether they wished to make greater commitments to greater unity — or whether they wished something more substantial. He did not conceal his point of view at the continued bickering among individual states over unsettled borders

or their failure to make even token contributions to the Federal budget of which Abu Dhabi bears 97 per cent.

The more cynical saw the challenge as merely a clever piece of brinkmanship by Sheikh Zaid designed to extend Abu Dhabi's influence. Abu Dhabi is after all the seat of the federal government, and the other rulers nurture a residual fear that Abu Dhabi one day will engulf them, or perhaps, more important, that their influence will be subordinated to an institutionalised federal power. But those who know Sheikh Zaid maintain he genuinely was seeking to push federation forward. The result of four months of intense cajoling was a compromise, but clearly Sheikh Zaid felt enough fresh commitments had been wrung from his colleagues to remain as UAE president.

The most impressive of the new federal actions is the implementation of the merger of all the defence forces in the UAE under the operational command of a seconded Jordanian officer, Major General Awad Al Khalidi. This 30,000-strong force has been divided into three commands based in Abu Dhabi, Dubai and Ras al Khaimah, all wearing the same uniform and with a single pay structure. At the same time a freeze has been put on defence procurement which will now be carried out by a central body of the unified forces—thus ending the wasteful duplication of equipment like the two air defence systems of Rapier and Crotale, and also ending the gross over-equipment that took place in some instances. Defence will also become a federal expenditure. No one hides the fact that Abu Dhabi still has the biggest single contingent in the

Generous and responsible use of its great wealth has made Abu Dhabi the leader within the UAE and a major force in the Arab world at large. Its influence acts as a stabilising factor in a region characterised by hectic economic growth.

new federal uniform—almost 24,000 men. Abu Dhabi too will remain the principal paymaster. But a start has been made.

It was also agreed at the end of last November that internal security should become a wholly federal affair. This includes the controversial issue of immigration. Furthermore information also has become a federal matter. Complementing these measures, the Councils of Ministers was reshuffled and reduced from 29 to 23. The composition reflects what one observer called the "one step forward, half a step back approach." Some technocrats have been brought in like the former ambassador to Washington, Mr. Said Al Gobash (who hopefully will tackle the total absence of any economic development planning, among the seven States). But the council mainly reflects the important ruling families and the need to keep a right proportional balance for the various States (eight from Abu Dhabi, five from Dubai, four from Ras al Khaimah).



Sheikh Zaid Bin Sultan Al Nahayyan.

There has been talk of proper contributions by the other States to the federal budget as an earnest of their intentions. This is going to be difficult in practice. Dubai with its growing oil revenue should contribute more, indeed no one knows how much

Sheikh Rashid contributed last year. Some say Dubai provided the equivalent of \$38m. Others say \$90m. But the real problem is that Sheikh Zaid has established a practice of Abu Dhabi private purse. This generosity is an important element in helping grants and capital payments to cement the federation be-

cause it helps close the gap between the wealthy in Abu Dhabi and the less fortunate in the small emirates like Ajman and Fujairah.

Last year Abu Dhabi's official receipts from oil amounted to almost \$5bn. This substantial income—five times greater than the other sizeable producer in the UAE, Dubai—has helped the Emirates establish a niche for themselves in the Arab world. Now the frontline Arab States can no longer ignore the UAE in general and Abu Dhabi in particular. Direct grants and loans by Abu Dhabi, mostly to the frontline States, are running at \$600m. a year. Overall 29 per cent of Abu Dhabi's published oil receipts are disbursed on loans and grants within the UAE and abroad. No other State has such a record. Indeed there are those within Abu Dhabi who argue Sheikh Zaid is too generous and there is not enough gained in return. Rather more funds should be set aside as a "pension" when the oil runs out.

But partly out of temperament and partly out of calculation, Sheikh Zaid believes that generous aid giving is an essential part of Abu Dhabi policy. Broadly stated, Abu Dhabi's aim is to be on good terms with everyone — except the communists. Sheikh Zaid has been instrumental in bringing about a "normalisation" of relations with the UAE's two most power-

ful neighbours, Iran and Saudi Arabia. The longstanding dispute with Saudi Arabia over the Buraimi oasis—the largest and most fertile oasis in the lower Arabian peninsula—was at the root of Saudi refusal to recognise the Emirates.

The settlement of the Buraimi dispute in 1974 has never been published. Nor has a map been drawn up showing precisely where the new border with Saudi Arabia and Abu Dhabi lies. It is known that Abu Dhabi conceded a corridor at the north-eastern end providing Saudi access to the sea next to the Qatari border. It is also generally accepted that Saudi Arabia gave up its claims to Buraimi, but the issue is still a sensitive one because Saudi Arabia could in theory establish a border post in the corridor controlling access to Qatar (there is only the occasional border patrol at the moment). In addition Abu Dhabi has yet to resolve its border with Oman. At Buraimi there are three Omani villages almost inside the town of Al Ain (which incidentally is the traditional area associated with the ruling Al Nahayyan family).

Settlement

Both Abu Dhabi and Saudi Arabia succeeded in upsetting Oman by discussing the Buraimi settlement without including Oman. Oman has now been brought into the picture. But in future this could prove an area of disagreement since all Abu Dhabi's sweet water is currently drawn from Al Aio and the surrounding mountains which are contiguous with Oman. In general, however, Abu Dhabi has sought to have close relations with Oman. Sheikh Zaid has been a strong supporter of Sultan Qabous in his fight against the rebels in Dhofar Province, and in the past two years has provided some \$200m. in grants.

The ending of the war in Dhofar has been a great relief to the UAE. The success of a Leftist-inspired rebellion there was viewed with concern. So long as the rebellion continued it posed the greatest single threat to the stability of the UAE.

The biggest single problem in the Emirates now is immigration. In every Emirate there is an imbalance between nationals and immigrants. This imbalance is most evident in the two largest States, Abu Dhabi and Dubai—especially the former by virtue of its wealth. It is generally accepted, though there are no figures published, that Abu Dhabi nationals comprise less than 20 per cent of the total population. The population is growing at over 22 per cent. a year and the ratio of nationals to immigrants is widening.

To take one example, the Government is studying proposals for a \$50m. industrial development on a virgin site at Ruwais about 200 km. from Abu Dhabi. Part of this development will be a new town of 85,000 to service the projects. It is hard to see more than five per cent of this population being nationals. At present the entire labour force in the construction sector is imported from Baluchistan, Afghanistan and the Indian sub-continent. The police and army are made up mostly of Omanis with Pakistani and Arab officers and some British advisers. The burgeoning bureaucracy has clerks from the sub-continent and officials who are Pales-

CONTINUED ON NEXT PAGE

To prove it, we've done it

Press know about working in The Gulf.
We built the 460,000 barrels-per-day gas/oil separation plant at Asab, 100 miles from Abu Dhabi. As well as main oil line boosters at Bab and a further facility at Sahil.
Just a few of the major construction jobs which have given Press engineers a great deal of experience in dealing with extremes of terrain, co-ordination of skilled labour forces and the movements of huge tonnages of equipment and materials.
After nearly two decades in the Middle East we know we can handle even the toughest projects, with the most demanding schedules.
And to prove it, we've done it.

PRESS

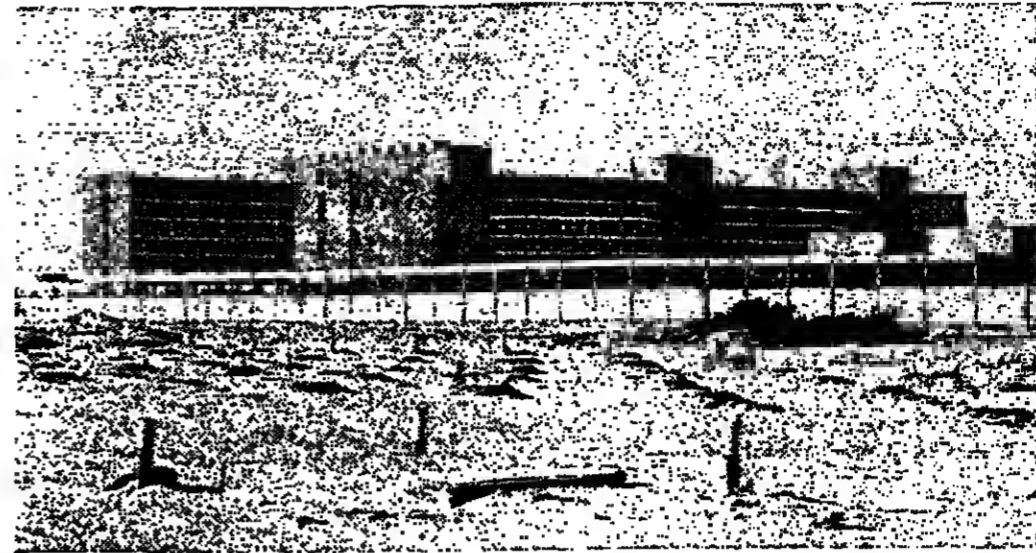
Experience in action

William Press (International) Limited

Head office: 17 Valley Street North, Darlington, Co. Durham. Telephone 0325 60611. Telex 58546.
Abu Dhabi office: PO Box 97, Abu Dhabi, United Arab Emirates, The Gulf. Telephone 61821. Telex AH2240.

ABU DHABI II

Booming economy needs stricter discipline



The Government is a major occupier of new buildings in Abu Dhabi.

States in the UAE. The most striking feature at present is the complete absence of co-ordination on any major project with other UAE members. One need only refer to the plans by Jebel Dubai for its new port at Jebel Ali and Abu Dhabi's own plans for Ruwais—creating four very substantial ports all within 400 km. of another serving a total population which will have reached only 1.5m. in 10 years' time. Then of course there are the airports—new ones planned in Dubai and Abu Dhabi, to say nothing of the existing ones there and in Ras al Khaimah and Sharjah.

But one can argue that these are political status symbols reflecting the individual nature of the States in the UAE. Perhaps more importantly they reflect the essential frustration in the case of Abu Dhabi of having only limited possibilities of diversifying away from an oil based economy. The services will become more important. The banking sector in particular has mushroomed; but ultimately the population's size and the competition from neighbouring States limits such growth. Agriculture offers few possibilities. Experiments have been carried out on Sadiyat island (which produces 450 tons of vegetables) and now at Al Ain; yet even on a subsidised basis agriculture is an uphill task—high soil temperatures, wind erosion and lack of water are formidable barriers. To this has to be added a fast increasing and consumer orientated population. Not now but in the future the viability of agriculture—and the State's lavish use of water—will come under close scrutiny.

The horizons for diversification, certainly in the short term, are further limited by the small number of technically qualified nationals. Access to education was very limited until the early 1960s and few Abu Dhabians hold degrees. Throughout the UAE there are only 9,842 students in preparatory and secondary schools, 210 in technical schools and a further 1,236 on bursaries abroad. Almost \$250,000 per head is being spent on education in the Emirates; but results will not be immediate and the dependence upon imported labour and foreign skills will remain.

Thus for the time being Abu Dhabi has little option but to husband its oil resources, which should carry the State comfortably for another 30 years, and to develop oil related industries, as outlined in the Arthur Little report. Unless inflation is allowed to get out of hand there should be sufficient surplus to put aside each year to ensure an adequate pension fund. This is now one of the main tasks of the newly created Investment Authority—investing cautiously against the day when the oil runs out.

Robert Graham

VIEWED CONVENTIONALLY much of what is being done today in Abu Dhabi is extravagant. Some of the projects are even highly questionable. But Abu Dhabi is no ordinary state, and conventional economic wisdom is not always applicable. In the past four years Abu Dhabi has acquired so much money from oil receipts in relation to the absorptive capacity of the economy and the size of the population that it is difficult to distinguish between the necessary, the extravagant and the questionable.

How for instance can one judge Sheikh Zaid's herculean efforts to afforest one of the most arid infertile spots in the world? The trees are kept alive through an elaborate system of drip feeding at huge cost. There is no question of economic viability. Abu Dhabi can afford it.

Abu Dhabi along with Kuwait, Libya, Qatar and Saudi Arabia forms part of that exclusive group of States that have substantial oil surpluses, small populations, largely limited infrastructures, lack of skilled nationals and one principal resource—oil. Last year Abu Dhabi's publicly declared receipts from oil amounted to \$5bn. This year there will be a minimum five per cent rise in price terms with the overall receipt figure boosted by a production increase of around seven per cent. Meanwhile despite very generous foreign aid commitments, increased local budgetary expenditure and heavy underpinning of the federal budgets for the UAE, Abu Dhabi will still retain a surplus. Last year's budgetary surplus was \$1bn.

It is almost impossible to relate this wealth to per capita income. There are no figures for GNP. Besides even if such figures existed it would be important to distinguish between nationals and non-nationals, the former making up less than 20 per cent of the estimated 1,000 total population. Wealth has been such a recent phenomenon, moreover, that it has yet to filter through all levels of society. There is a fast process of income distribution through handouts of land, sleeping partner trading licences and cash grants but Abu Dhabi's wealth resides essentially within the ruling family and a select entourage.

Although oil underpins the whole economy and Government

distribution of oil income is the source of all activity, the oil sector is separate. So separate in fact that expenditure and investment in hydrocarbons does not figure in the budget. ADNOC, the State oil company, has its own largely self-financing budget, which is not published. The integration of the oil sector into the economy will only come gradually as ADNOC begins to implement a series of industrial projects using gas as a source of cheap energy and exploiting petroleum for a petrochemicals industry.

Proposals

The U.S. consultants Arthur D. Little have just handed over a set of proposals for the industrialisation of Ruwais, sited on the coast about 200km. west of Abu Dhabi near the crude loading facility at Jebel Dhanna island. This is the first attempt at comprehensive industrial planning within Abu Dhabi and the proposals consider projects to be implemented over the next 12 years or more.

Overall expenditure including infrastructure and housing for some 35,000 persons in a new town would be \$8bn. at 1977 prices. The essential elements in this scheme, apart from a new port and airport, would be a natural gas liquid plant, a 240,000 b/d refinery, an ammonia/urea plant with eventual capacity of 3,000 tons a day of each product, an iron and steel pelletisation plant with a 1.2m. ton capacity and a petrochemical complex.

These are only proposals and the Government will have to decide on the advisability of, say, the steel complex which requires a large workforce. Two proposals, the refinery and the oil plant are already agreed.

The development of Ruwais will create a third centre of activity; at present the economy centres exclusively on the two main inhabited areas—Abu Dhabi island and the neighbouring mainland, and the desert oasis of Al Ain, where the ruling family came from. Other scattered communities exist round the Liwa Oasis but these are tribes, increasingly settled, who traditionally migrated to the coast after the seasonal date harvest.

There is no sectorial breakdown available for GDP either in the UAE as a whole or Abu Dhabi in particular. But the direction of bank lending gives

some clue to activity outside the oil sector. Last year construction absorbed 42 per cent of bank credit, followed by trade (37 per cent.), the retail business (almost 10 per cent.) and agriculture (under 1 per cent.). The importance of construction reflects the phenomenal amount of private building and Government generated infrastructure work in progress. Abu Dhabi town itself is little more than seven years old as a modern entity. Construction now accounts for almost half the country's total workforce, virtually all of which is imported. On the other hand the Government is the largest single employer and with Abu Dhabi the capital of the UAE, bureaucracy has become an industry in itself. The UAE federal structure employs some 24,000 and needs another 9,000 if all vacant posts are filled.

Government expenditure in six years has risen from \$190m. to \$4.7bn. Of this, however, no more than 63 per cent. was earmarked for expenditure for purely Abu Dhabi projects last year. This is partly because local absorptive capacity is strictly limited. But also it comes from a genuine commitment by Sheikh Zaid, both to prop up the UAE financially—Abu Dhabi provides over 90 per cent. of all federal revenues—and to distribute his State's wealth abroad. The UAE Currency Board estimates that over the past four years Abu Dhabi has spent an average of 29.5 per cent. of its oil receipts on grants and capital payments outside and inside the UAE—the vast bulk going to the frontline Arab States. This almost certainly understates the picture, perhaps by as much as 10 per cent. since no account is taken of funds coming out of Sheikh Zaid's own generous purse.

Last year Abu Dhabi set aside \$1.1bn. for current expenditure, a sum which included defence and health and information—the latter two items also covered expenditure in those sectors in the federal budget. Defence is reckoned to account for approximately half of the above amount. Development expenditure accounted for \$1.29bn. (including expenses of the Abu Dhabi Fund). A further \$1.01bn. went in contributions to the federal budget; \$1.16bn. in foreign aid (mostly grants) and finally \$105m. in foreign participations—joint Arab ventures such as the Arab Arms Industries and joint banks. There was a surplus of just over \$1bn.

There is no overall plan of either how the economy should evolve or the extent to which it should integrate with the economies of neighbouring

THE PAULING GROUP

TWELVE YEARS OF PARTICIPATION IN major construction and development projects for the STATE OF ABU DHABI UNITED ARAB EMIRATES



Pauling and Company Limited

HEAD OFFICE
Mountbarrow House
6-20 Elizabeth Street
London SW1
Telephone 01-730 0731
Telex 263131
Cables
Blamores London SW1

Pauling AL-JALLAF Limited

PO Box 282 Abu Dhabi
United Arab Emirates
Telephone
Abu Dhabi 22751
Telex 2433

Pauling (MIDDLE EAST) Limited

WHATLINGS

CIVIL ENGINEERING & BUILDING CONTRACTORS

c/o P.O. Box 245
ABU DHABI

Tel: Abu Dhabi 44444
Telex: 2282 AH

North Claremont St.,
Glasgow G3 7LF

Tel: 041-332 2425
Telex: 778804

Business in Abu Dhabi?

Talk to the international bank with local experience

For all forms of domestic and international business in Abu Dhabi and throughout the United Arab Emirates, BCC can provide on the spot assistance in respect of local currency requirements, financial bonds and guarantees and the transmission of funds throughout the area.

Detailed knowledge of local markets and trading conditions is available from our seven branches at:

Abu Dhabi (Main)	P.O. Box 4021
Sh. Hamdan Road	P.O. Box 2255
New Market	P.O. Box 2928
Airport Road	P.O. Box 2795
Batin	P.O. Box 4022
Industrial Area	P.O. Box 2929
Abu Dhabi U.A.E.	
Al-Ain	P.O. Box 1378 Alain U.A.E.

You can also utilise our specialist expertise in over 50 commercial and financial centres throughout the world.



BANK OF CREDIT AND COMMERCE INTERNATIONAL

100 Leadenhall Street, London EC3A 3AD
Telephone 01-283 8566 Telex 886500 and 8811573

Benign force

CONTINUED FROM PREVIOUS PAGE

tinians, Egyptians, Iraqis and the past two weeks to halt new recruitment. But to take a nominally owned by nationals, directly affect the economy. The massive economic development that has taken place in the past five years has been possible only with the large-scale importation of foreigners. Despite this nagging problem, Abu Dhabi society still has the harmony of being able to identify with its ruler and the strong tribal links that surround him. An essential element here is a pact sworn in 1928 between Sheikh Zaid with his three brothers not to indulge in fratricide—something which helps to explain the apparent tranquillity with which Sheikh Zaid's brother Shakh-but, whom he deposed in 1966, is tolerated living in retirement at Al Ain. It is family matters and the accommodation of rival family interests which still dominate politics here. And the modern city of Abu Dhabi which has been created in less than seven years does not conceal the very conservative nature of society.

The trouble is that Abu Dhabians have little stimulus to work. Access to the pot of money is relatively easy. They also know that no one will complain in public about the high cost of housing or bad work conditions because the foreigners all have jobs or salaries they could not get elsewhere. But this is not the basis for a unified society and sooner or later Abu Dhabi and the rest of the Emirates will have to face up to the problem. Essentially, this is the price Abu Dhabi is paying for the privilege of being one of the wealthiest States in the world trying to build up an economic and administrative base from scratch. Both at the Federal level and within Abu Dhabi's own departments, decisions have been taken in

ABU DHABI OILFIELD SERVICES CO.

Chairman: M. MAKTOOM
ASSOCIATED COMPANIES:
MIDDLE EAST OILFIELD SUPPLIES CO.
HUNTING OILFIELD SERVICES LTD.
U.K.

PROVIDING ENGINEERING AND PURCHASING CAPABILITIES TO ALL INDUSTRIES

EQUIPMENT—Fully equipped oilfield machine shop.
SPECIAL SERVICES—Pressure testing 15,000 psi, magnaflux inspection, steam cleaning, valve repair/overhaul shop, manufacture of die-formed rings in association with Crane Packing Ltd., U.K.

Representing: Cameron Iron Works, Diamond Boart, S.M.F.I., Motherwell Bridge Engineering, Crane Packing, G.E.C.-Elliot, General Desalting, Geograph, Imodec-Int., Revrolle Parsons Int., Mather and Platt, Ionics, Fisher, Tube Investments, Englewood Ind.

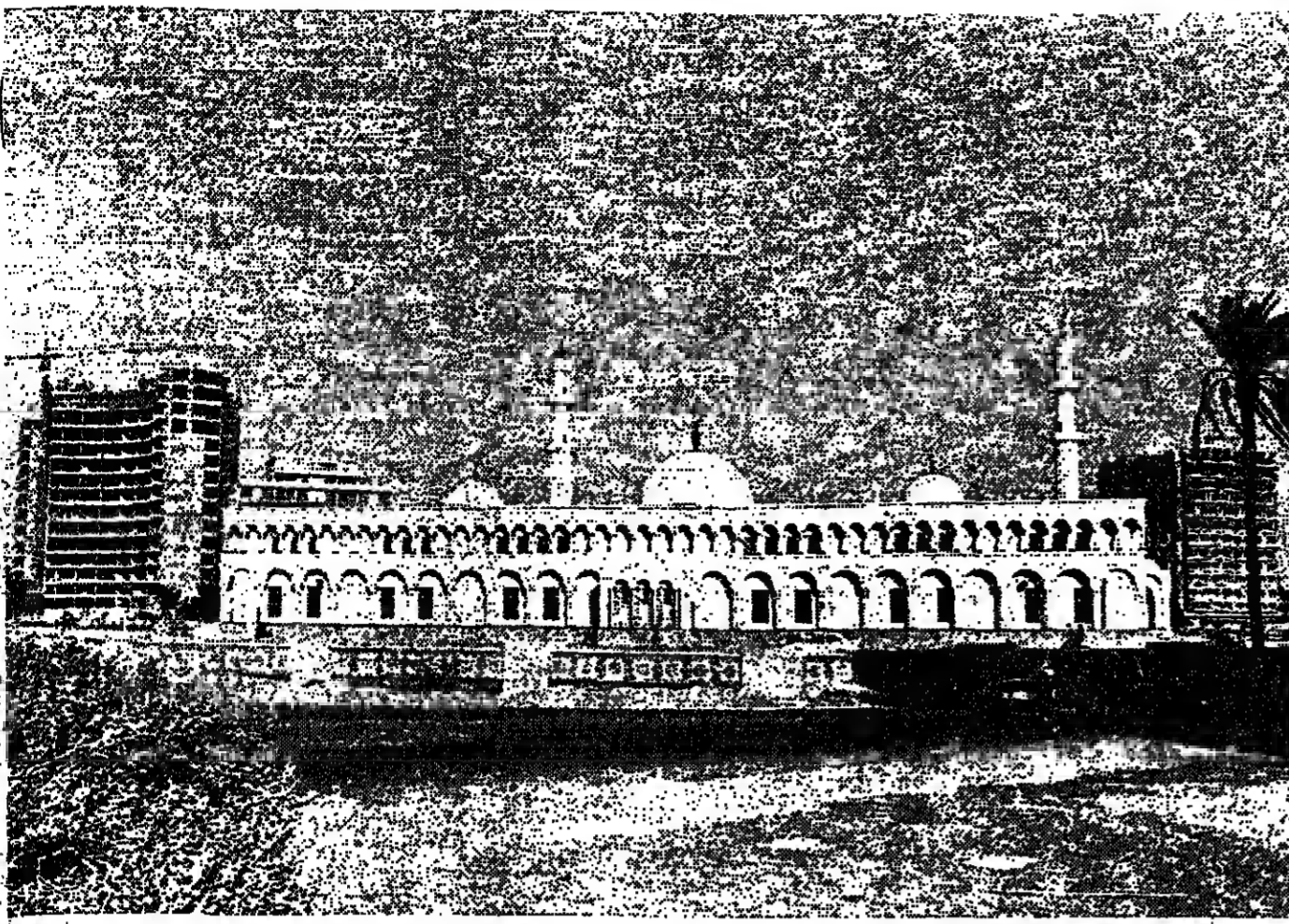
Telex 2312 ADOS AH Tel: 22768/9
P.O. Box 4015, Abu Dhabi U.A.E.

CONDER

STEEL FRAME BUILDINGS
FACTORIES — WAREHOUSES — WORKSHOPS
OFFICE AND ACCOMMODATION STRUCTURES
For Supply only, Erection or Turnkey projects.
Contact

MAZROU CONSTRUCTION TECHNOLOGY
PO Box 2033 — ABU DHABI
Telephone 42310 Telex 2353 AH MAPAD

مركز من المصل



The largest mosque in Abu Dhabi, dwarfed by modern office blocks.

Builders race against time

ABU DHABI, an old apartment built five years ago, is being built in this instant date back further than that, even now the planners have difficulty in keeping up with what is being built and where. Every project there is a sense of urgency, a desire to have it finished today rather than in a year's time when it will be much more anyway.

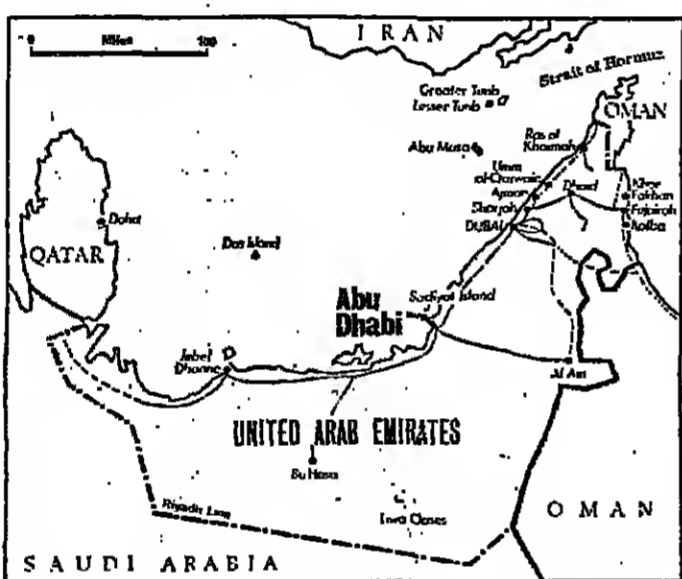
The major reason for this raknack speed in construction projects is the continuing necessity to cater for the growing population. It is estimated that population is increasing by 10 per cent each year, occasionally by over 30 per cent. Projects are constantly being re-scheduled and increased; 20-year plans are squashed into six; and a whole city looks like one construction site.

Amid this race against time, problems arise due to the uncontrolled rate of development. Electricity and water cuts are a frequent occurrence in the hot summer months. Last year even affected the city's \$100-a-day hotels. There often is a six-month delay in connecting new apartment blocks to the essential services. Bills for the precious commodity of water are not sent out by the city's water department, simply because there is never enough pressure in the pipes to make the meters work. Everything else in Abu Dhabi, this situation will be remedied in time.

The major part of the construction work in the Emirate is naturally generated by the government; experts in the city's planning department estimate that nearly \$4.4bn. (over \$5bn.) will be spent over the next three years, mainly in the city itself. Of this \$1.95bn. will be Government expenditure, the rest from the private sector. The development budget for 1977 alone is over \$1.5bn.

The largest Government project so far is the construction of a new harbour in Abu Dhabi, approved only in January. The work will be in addition to the work presently being carried out in Mina Zayed itself.

In the existing port there are only 12 deepwater berths in



Port

The new port is to be built on reclaimed land created by dredging the area alongside the existing 12 berths. It will consist of 24 berths, designed for general cargo, and will include container and roll-on roll-off facilities. Cost of the project is estimated at \$2.4bn. (£358m.). The construction contract has already been awarded to the South Korean company, Dong Ah. The South Koreans are believed to have won this contract against seven other tenderers, two of which were British companies in liaison with local and foreign firms.

The other major slice of the port work will come with the award of the dredging contract, which is roughly estimated to be

worth around \$500m. range. The contract will call for the dredging of 15m. cubic metres to create a water depth of 11.5 metres in the new port.

Local people have questioned whether Abu Dhabi really needs an additional 24 berths. Just 90 km. away, Sheikh Rashid of Dubai is engaged in expanding his existing port by a further 22 berths and embarking on a massive 74-berth development at Jebel Ali. However, as a city official explained, "The inflation you avoid by building now, rather than in five years' time, is much more than the interest you could accrue with your money."

The same thinking seems to prevail in Abu Dhabi's airport plans, for the local public works department is now at an advanced stage in the development of the Emirate's new \$1.1bn. airport. The existing airport on the island itself, completed only seven years ago, is to be closed.

The new complex is being designed by Aeroport de Paris, the designers of the Charles de Gaulle airport, and Abu Dhabi's is to be built on similar lines. The contract for the terminal building was recently awarded to the Japanese consortium of Takenaka Komuten. The next to be awarded is for

the runways, access road and the apron, and preliminary indications are that the work will go to the Cypriot concern, Joannou and Pareskavides. Like the contract for the terminal buildings, there were few offers put forward from British companies. Tenders were received from four European companies, and from Saudi Arabia, Kuwait and Egypt as well as Pakistan and an east European country. More and more Arab and Asian firms are appearing on the tender lists for the major projects, a preserve once held by the more experienced western contractors. Meanwhile British officials in Abu Dhabi are becoming increasingly concerned that not only are U.K. companies failing to win large contracts in the capital but are failing even to appear on the bid lists.

The next contract at the airport is for the electrical work, which has attracted 11 bids, and the last for the ancillary buildings, worth around \$250m., was recently put out to tender.

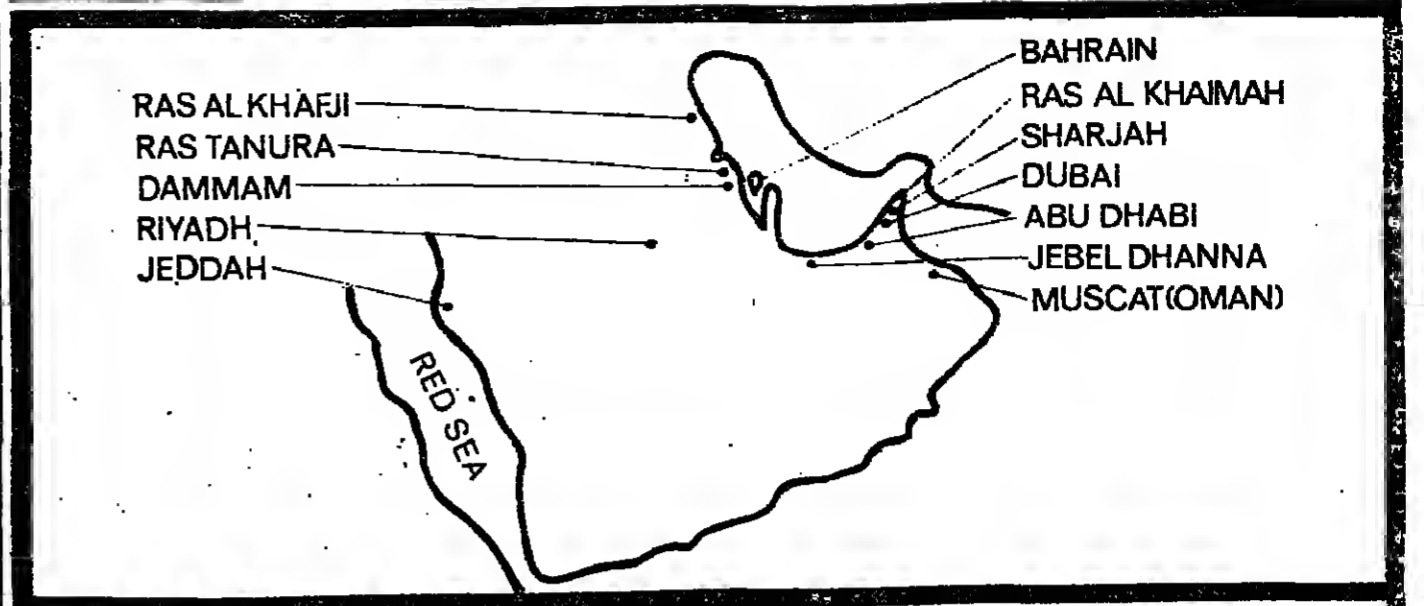
The major road project in the Emirate is the highway linking Abu Dhabi and the rest of the Emirates to Qatar. Following a recent agreement with Saudi Arabia, Abu Dhabi is to continue its work on the road through Saudi territory to the border post at Duwaghin. The road at present only runs to Sila. The contract for the last section leading to the border has been awarded to a Bangladeshi company for \$350m.; it is due to be completed by the end of this year.

Expansion

Water and electrical installations are undergoing huge expansion to keep up with the increase in demand. By this autumn the department hope to provide 24 million gallons per day installed capacity. The future base for development is to be at Umm Al Nar, where two power stations and desalination plants are to be built.

Around \$2.3bn. is to be spent on the city's sewage network, and a 20-year plan is being squeezed into six years so that the service can keep up with the growth in population. A British consultant, John Taylor and Sons has been called in to manage the projects, which will include a further 150km. of pipes and a new plant at Mafray, on the mainland. The new sewage facility there is planned to handle 14.5m. gallons a day, and the water is to be recycled for irrigation use.

Day by day Abu Dhabi resembles more and more the capital it is supposed to be, a far cry from the one main street that it consisted of when the federation of Emirates was formed. The tree-lined streets are taking on a more organised air, and the city water department uses 1.5m. gallons of water a day, in an attempt to give the city a luxuriant green air. Never mind that a 1,000 gallons cost \$8 to produce—at the moment Abu Dhabi can afford such extravagances.



SERVICES

SHIPPING AGENTS
 — Tankers
 — Dry Cargo Vessels
 — Small Craft
 — Work Boats

TUG AND BARGE OPERATORS

FREIGHT HANDLING AGENTS
 — Clearing and Forwarding
 — Packing
 — Warehousing

MANUFACTURERS' AGENTS & DISTRIBUTORS
 — Construction Equipment
 — Sales and Service
 — Materials Handling Equipment
 — Sales and Service
 — Oil Field Supplies

TRAVEL AGENTS

INSURANCE AGENTS
 — All Risks Covered

BUSINESS SERVICES
 — Assistance to INTERNATIONAL COMPANIES in establishing operations in the Gulf States
 — Participation in joint ventures
 — Business Advisory Services
 — Visas and Documentation
 — Local and International Purchasing

COMPUTER SERVICES

COMPANIES' OFFICES

Yusuf bin Ahmed Kanoo Saudi Arabia
 P. O. Box 37 Dammam Telephone 23011
 P. O. Box 753 Riyadh Telephone 28942
 P. O. Box 812 Jeddah Telephone 32211
 P. O. Box 4 Ras Al Khafji Telephone AOC 502

Yusuf bin Ahmed Kanoo Bahrain
 P. O. Box 45 Bahrain Telephone 54051

Yusuf bin Ahmed Kanoo United Arab Emirates
 P. O. Box 245 Abu Dhabi Telephone 42134
 P. O. Box 290 Dubai Telephone 32525
 P. O. Box 153 Sharjah Telephone 22436

Yusuf bin Ahmed Kanoo and Company Oman
 P. O. Box 1455 Muscat Telephone 4216

ASSOCIATED COMPANIES

Bahrain Ship Repairing and Engineering Company
 P. O. Box 568 Bahrain Telephone 8211

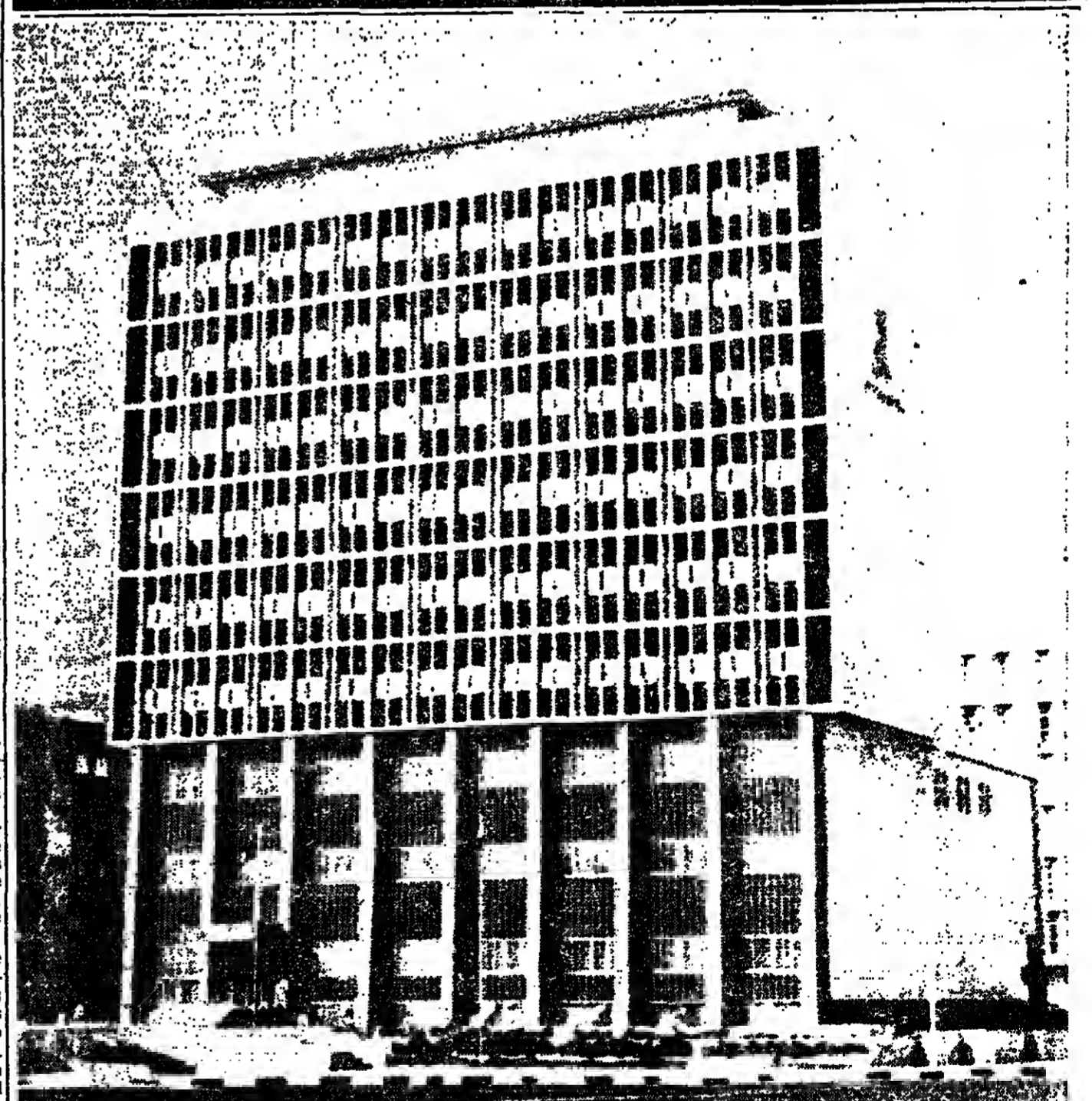
Aeradio Technical Services
 P. O. Box 803 Bahrain Telephone 8721

International Paints (Gulf) Ltd.
 c/o P. O. Box 290 Dubai Telephone 32525

REPRESENTATIVE OFFICES

Yusuf bin Ahmed Kanoo Europe
 1 Balfour Place, London W1Y 5RH
 Cables KANOVERSEA, LONDON
 Telephone 01-499-7867 Telex 28530 KANOVERSEA

Kanoo Inc. USA
 1100 Milan, Suite 2060, Houston, Texas 77002
 Telephone: 713/658-0652 Telex 774106



National Bank of Abu Dhabi

The leading bank in one of the richest countries in the world offers a complete worldwide banking service

We have... the facilities and ability to expand as rapidly as the economic growth of the United Arab Emirates... the knowledge and experience to cope with growing foreign interest in our oil industry. AND as a bank that's involved with multi-million oil transactions, you can count on us for expert advice and handling of your business.

Head Office: Sheikh Khalifa Street, Abu Dhabi.
 Branches: Abu Dhabi—Sheikh Khalifa Street, Sheikh Hamdan Street, New Souk, International Airport, Hilton Hotel, Al Ain, Dubai, Sharjah, Fujairah, Ras Al Khaimah, Khor Fakkan, Bahrain, Muscat, Oman, Cairo: Egypt, Khartoum: Sudan.
 Branches under foundation: IN U.A.E. Al Itiqal Street, Abu Dhabi. Clock Tower Branch, Al Ain. OUTSIDE U.A.E. Doha, London.

Total assets at 31st December 1975
UAE Dh. 3,793,534,546
 US \$1 = Dirham 4 approximately

Postal address: PO Box No. 4, Abu Dhabi, United Arab Emirates. Cable address: ALMASRAF, ABU DHABI. Telex: AH2286 and 2287

UNITED INTERNATIONAL BANK

UIB operates on a wide technological and geographical spectrum. Services include:

- Project and corporate financing in UAE dirhams, sterling and eurocurrencies
- International private placements
- Underwriting public issues
- Interbank money market dealings.

For further information please contact

In the UAE
 C.E. Law,
 Representative Office,
 P.O. Box 2533,
 Abu Dhabi U.A.E.
 Telephone: 43259

In the London Head Office
 G.A.B. Nicholson,
 30 Finsbury Square,
 London EC2A 1SN
 Telephone: 01-638 0266

Kathleen Bishtawi

For complete financial services in the UAE



FEDERAL COMMERCIAL BANK LIMITED

The only bank with capital subscribed by citizens from all seven Emirates.

P O Box 2934 Abu Dhabi, U.A.E.
Tel. 24920, 25290/3
Telex. 2689 FEDBANK A.H.

Authorised Capital: DH 50 million
Paid-up Capital: DH 25 million

Correspondents and agents throughout the world.

ALMANSOORI & ALOMAR

ABU DHABI

TRADING DIVISION

Machine tools, generators, equipment for mechanical engineering, tools for garage and workshop, general machinery.

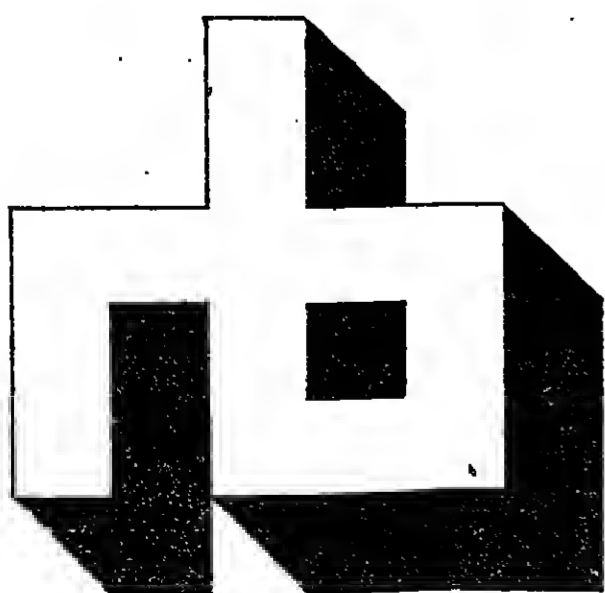
DESALINATION DIVISION

Specialists in all types of desalination mobile package units—stationary units 100 g.p.d.—15 million g.p.d.

MECHANICAL ENGINEERING DIVISION

All types mechanical engineering erection, commissioning maintenance of heavy machinery and power plant, sanitary engineering, pipeline fabrication, steel structures, storage tanks, etc.

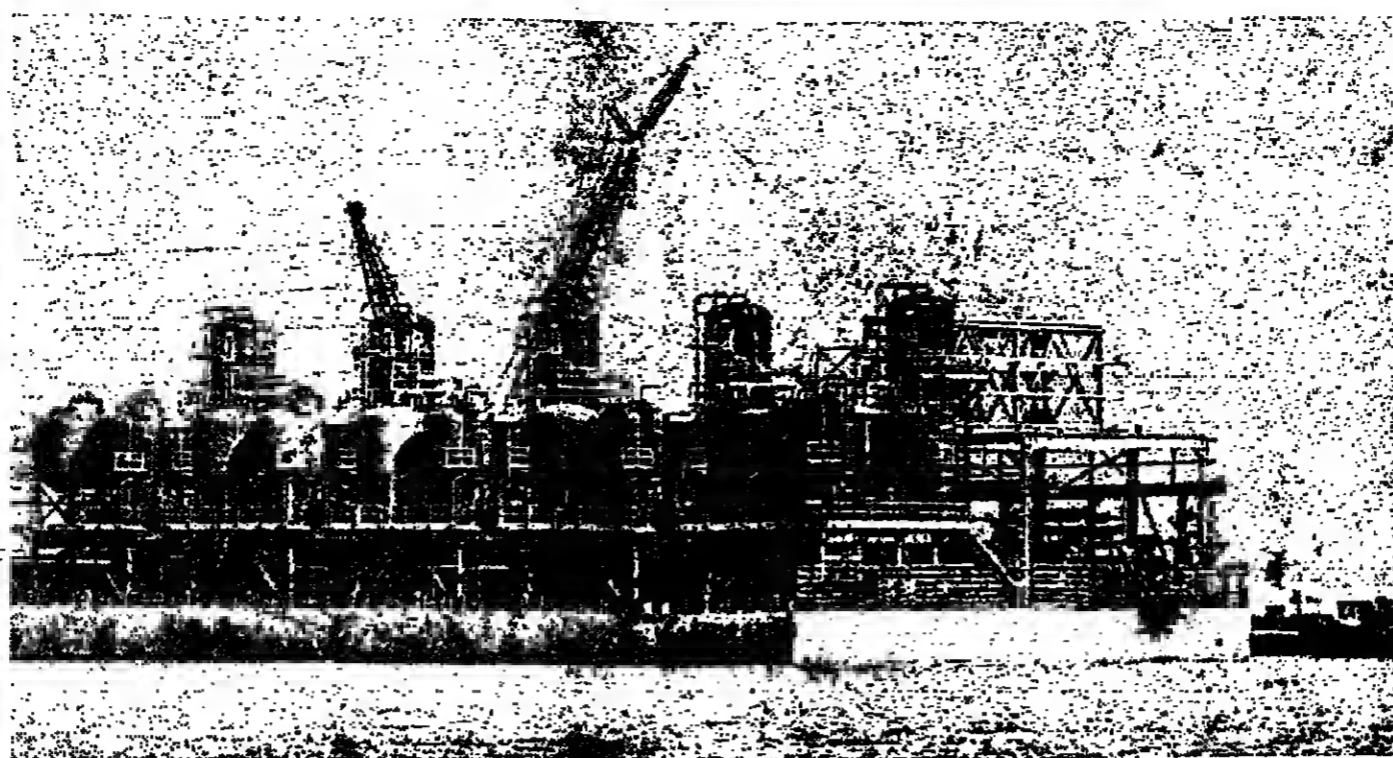
P.O. BOX 287 ABU DHABI
TELEX 2237 MANSOORI AH
TEL. 22518, 22570, 22252.



THIS SYMBOL IS YOUR ASSURANCE OF QUALITY & TOTAL SERVICE IN KUWAIT AND THE GULF

Branches: Abu Dhabi, Bahrain, Dubai, Qatar, Ras-al-Khaimah, Sharjah, Kuwait. P.O. Box 148, Safat, Kuwait. Tel: 2302

ABU DHABI IV



Desalination plants like this one are an important source of fresh water.

Welfare state a high priority

THE ESTABLISHMENT of a federal welfare state encompassing free education, health and social assistance is one of the highest priorities of the central government. The rapid oil wealth and the development over the last five years has brought unforeseen problems in its wake, and the task of the welfare state is directed at helping UAE citizens cope, and administer the country's economy and political character in the future.

Education has been free and compulsory since the formation of the federation. Schooling has been brought within reach of the remotest parts of the country, the Emirate of Abu Dhabi is planning to spend Dirhams 144m. this year on new schools. Three more secondary schools costing Dh.54m., six intermediate and ten kindergartens are included in the Emirate's plans for 1977.

One of the most ambitious education projects is the establishment of the new university at Al Ain, an inland town 130 km. from Abu Dhabi city. This year will see the establishment of the first four faculties with an intake of 200 students, and long range plans include the creation of at least eight more

departments and facilities for 3,000 students. This year the departments will include faculties of commerce, science, fine arts and one for the training of women teachers. The initial staff will consist of 35 professors, most of whom are being recruited from the Arab countries. However, the Education Ministry recently established relations with St. Cross College in Oxford and negotiations are continuing concerning the advisory services on the establishment of an English department and other branches of the University. The initial language is to be Arabic.

In the 1975-76 school year, total student intake in the UAE at all levels of schooling was nearly 61,000, and of this Abu Dhabi represented over 19,000. Yet statistics from the Education Ministry continue to show disappointing ratios in the number of pupils opting to continue for higher education.

This is in spite of monetary encouragements extended by the Ministry to parents of UAE nationality. The payments increase with the child's age. Yet large numbers of pupils are dropping out after the statutory age of 12 years, and many of them are UAE nationals.

Figures for the present year show that there are 22,671 students in the primary schools, yet only 13,060 students in secondary schools. Much of this is due to young girls deciding to leave school for marriage, which is still considered by many the only acceptable role for women in society. Going on to higher levels, the statistics show that only 45 UAE nationals graduated from foreign universities last year, but that 1,236 students were studying at foreign institutions, mostly in the Arab countries. Britain still attracted 184 of those students, though the American universities are continuing their efforts to encourage UAE nationals to continue their education in the U.S.

Facility

A three-year national plan has been drawn up in the health service to increase the number of hospitals and clinics in the country. The UAE's health service is completely free. Officials estimate that the hospitals were handling around 187,000 out-patients a month, though in the urban areas, particularly, only about 10 per cent were UAE nationals.

UAE nationals are offered the facility of free treatment abroad, and last year the country's health service spent around Dh30m. on private doctors in London, sending over 600 patients. Now the Ministry is seeking an arrangement with Britain's National Health Service for a guaranteed supply of beds and treatment for chronic patients. Theoretically, it is only the chronically ill who are allowed this facility overseas, though the Health Ministry in Abu Dhabi has noticed a considerable upsurge in patients during the summer months. For not only does the UAE national get free treatment but also a daily allowance of £20 for himself and another £20 for any servant or companion they might bring.

There are still gaps in the facilities that the UAE's health service provides and this is why the traffic to London continues. However, there are hopes that facilities for neuro-surgery, radiotherapy and cardiovascular surgery will be provided by further recruitment of foreign staff and the development of the service's infrastructure. The UAE health service pays over £1,600 plus allowances, free accommodation and travel, for foreign specialist consultants.

Abu Dhabi itself is to gain two major general hospitals over the next two years with the completion of two 320-bed units which are being constructed on a turnkey basis by the German company, Pollenak and Zoellner. Opening this month is a 110-bed hospital for women which is to be managed by the British company, Allied Medical. The old government hospital in Abu Dhabi is to be extended by another 300 beds, and Al Ain is to gain a new turnkey hospital of 510 beds.

Earlier this year, the infant Ministry of Social Affairs was merged with the Ministry of Labour. Social research is still in its early days in the UAE, for social workers in the country are still assessing the needs of the citizens and the problems which arise from the rapid requirement of wealth. Nevertheless the Ministry still hands out monthly salaries to those people not caught up in the race for development and they are classified into eight categories including the disabled, widowed, orphaned, deserted women, divorced women and spinsters of over 40 years. One of the curious effects of the oil boom is an increase in the number of UAE spinsters, for dowries for local girls have soared, and many of the young men are opting for foreign wives instead. Overcoming such unexpected problems has yet to be studied by the Ministry.

Kathleen Bishtawi

Government finance

THROUGHOUT THE Lower formal agreement binding ADNOC to hand over its surplus or on how much should be retained for working capital. In practice it keeps some \$50m. for operating costs and last year handed over a \$750m. surplus.

Secondly the figures published by the Currency Board on Abu Dhabi Government oil receipts state that these represent the total after deducting the Ruler's share. This stems from the fact that the old oil company agreements were with the Ruler personally and not with the Government as such. It is believed that approximately 7 per cent of the receipts from foreign companies in ADPC and ADMA go to the royal diwan. This covers the expenses of the royal household and also constitutes the Ruler's private purse—much of which is used in Sheikh Zaid's own unpublicised acts of assistance (separate from Sheikh Zaid's extraordinarily generous public grants and capital payments).

This situation is changing and the UAE Currency Board is gleaming more and more information, especially on Abu Dhabi, which suggests there is a move towards greater disclosure. But if Abu Dhabi is more open the same cannot be said about Dubai. The Currency Board in its last bulletin on oil receipts twice in footnotes comments "no similar data are available for Dubai".

Abu Dhabi depends for 98 per cent of its income upon oil receipts and royalties. The remainder consists of a minimal 0.1 per cent, from customs duties and the rest in interest from dividends. Last year total revenues amounted to Dh9.3bn., equivalent to \$5.09bn., of which oil receipts accounted for \$4.72bn. according to the Currency Board. However, this understates revenues substantially, perhaps by as much as 25 per cent.

In the first place it ignores income which accrues to the state oil company ADNOC from its 60 per cent share in the main producing areas. The receipts recorded from ADNOC merely reflect the taxes paid at 35 per cent. These profits are created over now to the newly created Investment Authority which as a collector of oil receipts, treasurer and disburser—a sort of glorified accountancy department. Oil

receipts from the main operators, ADPC and ADMA, are received monthly. The Finance Department also holds all the funds to cover the Abu Dhabi budget, foreign aid and its contribution to the Federal budget. At the end of the year any surplus is now paid over to the newly created Investment Authority (established in March 1976). In particular unspent funds committed to the Federal budget are retained and form part of the surplus.

In the past, and until the establishment of the Investment Authority, the Finance Department also had formal responsibility for Abu Dhabi's reserves. This is now the responsibility of the Investment Authority who have yet to decide whether to publish a figure for reserves—believed to be over \$4.5bn. Under consideration is a move to broaden considerably the scope of the Investment Authority, downgrading in some respects the Finance Department—or rather with the increased complexity of the economy complementing the latter's work. It has been suggested for instance that oil receipts go straight to the Investment Authority who in turn provide the Finance Department with funds to cover the current account. It has also been suggested that the Investment Authority assumes the Finance Department's role in providing Abu Dhabi's funding of the Currency Board.

In practice such formalisation of roles may not make much difference since the same faces will often appear under different hats. Nevertheless it does indicate that Abu Dhabi is now coming round to the need for a more rational organisation of its financial structure.

Structure
If these two factors are taken into account and the state's financial structure were to be formalised, actual receipts would be much higher, about \$6.5bn. last year. As it is, Abu Dhabi's financial structure is now under scrutiny. There is a feeling among some officials that there is a need to institutionalise—especially to establish a framework to distinguish between Abu Dhabi's own funds and those with which it underpins the whole UAE. At present the chief instrument is the Finance Department. This has been acting both as a collector of oil receipts, treasurer and disburser—a sort of glorified accountancy department. Oil

R.G.

IN THE EMIRATES QUALITY AND SPEED ARE ESSENTIAL

in the construction of

- * Industrial Civil Works
- * Warehouses
- * Jetties
- * Water tanks
- * Prefabricated housing
- * T.V. Stations
- * Office and residential multi-storeys

ALLIED ENGINEERING ENTERPRISES

CIVIL ENGINEERING CONTRACTORS

P.O. Box 2655
ABU DHABI
U.A.E.
Telephone: 43263/4
Telex: 2625 AH ALLIED
Cable: Allied Abu Dhabi

P.O. Box 1876
SHARJAH
U.A.E.
Telephone: 25667/8
Telex: 8071 SH ALLIED
Cable: Allied Sharjah

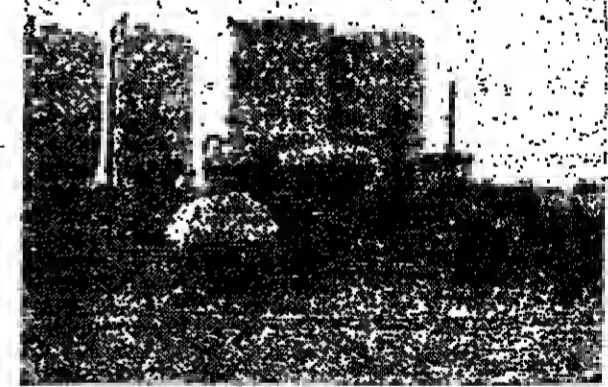
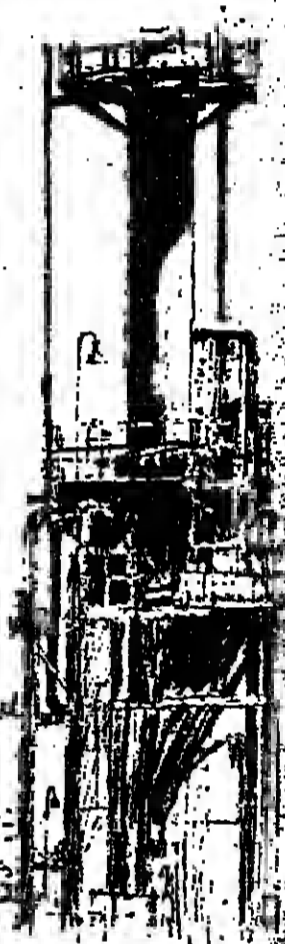


- the power behind progress

THV International specialises in the field of Electrical and Mechanical Engineering. Current design and installation of these vital elements for all types of plant and buildings throughout the Middle East form an integral part of a world-wide service.

THV International Contracting & Engineering Co. Ltd.
199-201 High Street, Orpington, Kent BR6 0PF, England.
Telephone: Orpington 71621/2/3/4
Telex: 896234

THV International (U.A.E.) Ltd.
P.O. Box 1426, Al Ain City, Abu Dhabi.



Halliburton Limited has been serving the oil industry in the Abu Dhabi area since 1960. The uniqueness of this area, especially the desert, has demanded during this period that the operational procedures and equipment be specialised. This challenge has been met by Halliburton Ltd.

Abu Dhabi, U.A.E.
P.O. Box 57
Tel: 43448 - Telex: 2224 HALCOAD AH

Sutcliffe Speakman feel privileged and are proud to have built the first sand-lime brickmaking factory in the United Arab Emirates. This will be commissioned in the next few weeks.

WE WOULD LIKE TO THANK:

HIS EXCELLENCY SHEIKH ZAYED BIN SULTAN AL NAHYAN
EMIR OF ABU DHABI,
SHEIK SOROOR BIN MOHAMED AL NAYHAN
and THE PETROLEUM DEPARTMENT—EMIRATE OF ABU DHABI
for having shown their confidence by entrusting us with this project.

SUTCLIFFE SPEAKMAN & CO. LTD.
LEIGH, LANCASHIRE, ENGLAND.

Tel: 05235-72101
Telex: 67555
Telegrams: Utilization Leigh Lancs.

مكتبة الامم المتحدة

ABU DHABI V

Biggest oil producer in the Emirates

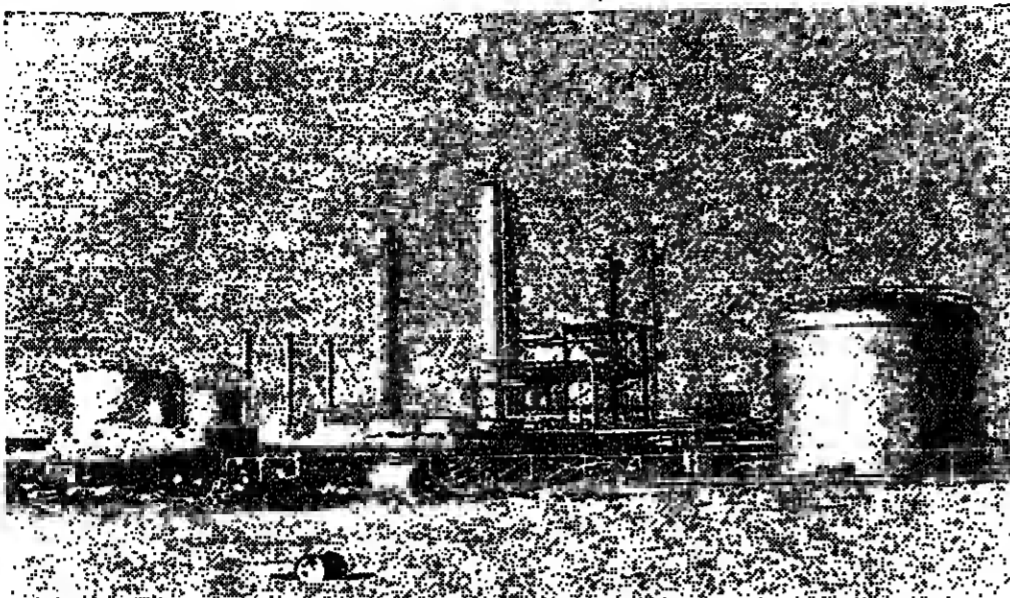
THE THREE oil producers in the UAE, Abu Dhabi is by the most important. It accounts for over 80 per cent. of total production within the Emirates and unless there are significant new finds, Abu Dhabi is certain to retain its pre-eminent position. By virtue of its position Abu Dhabi produces the Oil Minister for the UAE, Mr. Saad Mana Al Mansoori, and effectively shapes the country's oil policy towards OPEC. It was Abu Dhabi, for instance, that led to follow Saudi Arabia at the December OPEC meeting in Doha, adopting the 5 per cent. increase in the price of crude: a position which both Dubai and Sharjah, the other two UAE producers, were obliged to accept when they would have preferred a 7 per cent. increase.

In fact there is little controversy on oil matters, with a spirit of gentlemanly understanding that no one should interfere in each other's affairs. The relationship of the Abu Dhabi Government towards the oil companies—based upon 60/40 participation—differs from that of Dubai, the second largest producer in the UAE. It is not one really seems to be what Sheikh Rashid bin Khalifa has agreed with the oil companies although he has announced 100 per cent. participation.

It is fair to assume that the oil industry in Saudi Arabia is as an act of political expediency, though this was not with a genuine feeling. Sheikh Zaid that the oil industry should not be a price rise. Saudi Arabia's oil price has increased by 5 per cent. on the UAE in the past year. The oil industry in Saudi Arabia has been permitted a small increase in its production ceiling largely because of its oil fields—Umm Shaif—will provide associated gas to the Das Island liquid gas plant at present in its commissioning phase but due on stream by April.

Oilings

In adherence to production ceilings is important because Abu Dhabi does have spare capacity. The onshore fields of Abu Dhabi Petroleum Company (ADPC) have 250,000 b/d of locked capacity. At present Abu Dhabi is being punctilious on the issue of premiums which are traditionally applied to high-quality low-sulphur oil. Under the so-called "rental" formula for offshore oil, the offshore oil from Murban and Zakum would enjoy a 30 per cent. premium, according to officials in the Oil Ministry. However, it has been decided that no premium will be sought for the two-tier price structure. This has been sorted out. Thus a 5 per cent. or 53 per cent. base is being applied, price of Murban at \$12.50 per barrel, Zakum at \$12.41 per barrel and Shaifat at \$12.28 per barrel. Production ceilings, which were agreed prior to Doha, are 550,000 b/d for ADPC; an increase to 600,000 b/d for ADMA (Abu Dhabi Marine Areas); and 110,000 b/d for the two



Abu Dhabi is working towards reclaiming as much of its hydrocarbon resources as possible. This is a liquid petroleum gas bottling plant.

minor ventures—of a total of 1,685m. b/d. ADPC is owned 60 per cent. by ADNOC, the Abu Dhabi National Oil Company, and 40 per cent. by a group of foreign companies—BP, Shell, CFP (9.5 per cent. each), Exxon and Mobil (4.75 per cent. each), and ParTex (2 per cent.). ADPC says that its current production capacity is 1,275m. b/d. Depending upon how water reinjection schemes progress this capacity could be raised to almost 1.4m. b/d by the end of the year, reaching as much as 1.8m. b/d by 1979.

ADMA (60 per cent. ADNOC, 40 per cent. split between BP, CFP and the Japan Oil Development Company) at present has no spare capacity and is producing at 500,000 b/d. ADMA has been permitted a small increase in its production ceiling largely because of its oil fields—Umm Shaif—will provide associated gas to the Das Island liquid gas plant at present in its commissioning phase but due on stream by April.

Production ceilings were imposed in 1974 for technical reasons. ADNOC maintained that the existing fields were being over produced, and demanded conservation measures be introduced before production was raised. When these ceilings were imposed, total production was over 1.6 b/d. The foreign companies were not happy, claiming that they were not overproducing and the conservation measures were premature. Abu Dhabi's published reserves are higher than Libya and Nigeria but lower than Iran, Iraq, Kuwait and Saudi Arabia. Certainly this is a conservative estimate. In retrospect it is probable that ADNOC, which took over the responsibilities of the Abu Dhabi Petroleum Department, wanted to show some muscle and chose this as an issue. This stiffening of ADNOC's attitude towards the companies followed the arrival in ADNOC of former employees of the Algerian state oil concern Sonatrach.

On the whole, relations between the foreign companies and ADNOC have been smooth but the situation is potentially sensitive. OPEC as a whole is committed to the idea of 100 per cent. state ownership and both ADPC and ADMA regard themselves as interim operators pending the ultimate switch from 60 per cent. to 100 per cent. ownership and the creation of an operating or service com-

pany. On the other hand Sheikh Zaid himself appears in no hurry to acquire the foreign companies' remaining equity, and it is recognised freely that oil operations, especially offshore, are complex, requiring substantial investments. So the goodwill of the oil companies is valid. Further, it is recognised that in the absence of skilled nationals (and there are unfortunately very few at present) foreign expertise is necessary. The main fields are onshore. Belonging to ADPC, they are spread over a wide area some 200 km. from Abu Dhabi town, and are connected to a pipeline network that carries the crude

to a loading facility at Jebel Dhanna—the prospective site of a major new industrial area. Onshore oil, even with conservation measures, is substantially cheaper to produce. The per barrel cost is roughly 30 cents compared with \$1 offshore. This is because the offshore reservoirs have very low pressure and require large-scale water injection. A water injection scheme at Umm Shaif cost over \$400m. The high cost of offshore production has created serious cash flow problems for ADMA. These heavy costs of increasing—and sustaining—production are recognised by ADNOC and it sees that with

time the latter will tend more and more to take the risk of development on itself and employ companies' as contractors in new fields.

The increasingly dominant role of ADNOC is also evident on the marketing side. In 1975 ADNOC marketed only 12 per cent. of its share of output in ADPC and ADMA. This rose to 30 per cent. last year, and this year it will sell 40 per cent. It has also eliminated the "buy back" crude available to the participating companies. That is the crude which was not lifted and which was sold back to the companies at a discount. This is now being sold at commercial rates. The contract the companies have signed for this crude apparently has tough anti-boycott clauses and very stiff penalties for breach—so stiff that Exxon has so far refused to sign. In view of Abu Dhabi crude's low sulphur content it is mainly marketed in Japan and on the East Coast of the U.S. ADNOC also has limited sales to Sweden.

Last year ADNOC's refinery at Umm An Nasr came on stream—situated just outside Abu Dhabi town. This was originally conceived when the domestic market was much smaller, but at 15,000 b/d it is already unable to meet local needs. It has now been decided to go ahead with a new local/export refinery costing \$50m, with an initial capacity of 120,000 b/d subsequently rising to 240,000 b/d. This will be located at Ruwais. Within the next few weeks, tenders are expected to go out for the refinery's engineering services.

R.G.

Major natural gas project

ON A TINY island less than one square mile in size to the north of Abu Dhabi, the first liquefied natural gas plant in the Gulf is just about to become operational. The commissioning phase has already begun and the first shipments in specially built tankers should leave for their destination on the east side of Tokyo Bay at the end of March.

This \$550m. project has been a highly complex undertaking not least because of the hostile environment in which the plant has been built. Nevertheless the Das Island project built by Bechtel and Chiyoda Chemical Engineering, has been completed almost on schedule, and has taken only three years. The project is utilising flared gas from the two main offshore fields—Umm Shaif and Zakum—that lie some 100 km out at sea to the north of Abu Dhabi island. When fully operational the plant will have a capacity of some 2m. tons per year of LNG, 1m. tons of LPG with an additional 250,000 tons of light distillate and 230,000 tons of petroleum sulphur. To achieve such output levels the crude oil production of the main Umm Shaif field will be raised this year. Even so there is still uncertainty whether Umm Shaif can provide sufficient associated gas for the plant to operate at capacity.

The project is being carried out by Abu Dhabi Gas Liquefaction Company (ADGLC) in which the Abu Dhabi National Oil Company (ADNOC) has a majority 51 per cent. stake. The remaining equity is held by foreign partners—Mitsui, 22.1 per cent., BP, 16.3 per cent., CFP 8.2 per cent. and Bridgestone, 2.4 per cent. Production is being committed entirely to one client, the Tokyo Electric Power Company (TEPCO)—a larger project in Qatar will also have Japanese clients, thus underlining the growing commitment of Japan not merely to crude purchases but also gas from the Gulf. TEPCO has negotiated a floor price of \$2 per million BTU (calculated cif) which in turn will be connected to the price of crude. In revenue terms this should work out at around \$1m. a day in gas sales to TEPCO. The foreign partners in ADGLC have been allowed a five year tax holiday on earnings but thereafter they will have to pay at 55 per cent. on their stake, while ADNOC will remain exempt it seems.

Whereas the Das Island project has gone ahead smoothly the same cannot be said of a much larger scheme to gather in the associated gas flared from Abu Dhabi's onshore fields. "We

are back almost exactly to where we were a year ago," remarked one oilman connected with the project. Essentially the foreign partners in Abu Dhabi Petroleum Company (ADPC), the onshore operator, are locked in argument with ADNOC over the level of investment in this project, last estimated to cost \$1.2bn.

The project has been in the air for several years and stems from the need to prevent huge wastage of flared gas. Back in 1973 ADPC put forward a proposal on request from the government to gather in this flared gas. Although the scheme remains broadly the same today, it was altered by the entrance of ADNOC onto the scene. The presence of a state oil company has provoked a more belligerent attitude towards the foreign oil companies, including a suspicion that they were not committing themselves to a fair share of the investment.

Difficulties

Last April it seemed that the difficulties would be overcome when ADPC signed an agreement with the Government to go ahead with the project on the basis of a 60/40 basis, with ADNOC having the same 60 per cent. stake as in ADPC. With borrowed funds accounting for 75 per cent. of the capital, the foreign companies would have to put up 10 per cent. of the equity—a part of which would be paid for by plant ordered (and bought).

But this outline agreement has not been implemented. Lawyers have become bogged down in a mass of weighty legal documents and ADNOC still feels that the companies are seeking to get off with the investment cheaply—which the companies deny. There is also a certain amount of disquiet within ADNOC at the way the project was costed at \$750m. in April last year, and two months later jumped to \$1.2bn. The companies, on the other hand, point out that such an escalation was inevitable, given the long delays in reaching the outline agreement, and the need once this was done to re-evaluate costs.

Both sides play down suggestions that this is a dispute. Nevertheless things have dragged on so long that one side or the other has to make a move to achieve a breakthrough. Within the Abu Dhabi Government there is a feeling that ADNOC should go ahead on the project alone, especially as the bulk of the funds would be coming from it anyway. Yet

against this Sheikh Zaid has traditionally shown himself anxious to maintain the goodwill of the oil companies as evidenced by the National Oil Company being permitted only 60 per cent. stakes in existing operations.

The project itself involves the gathering in of the gas from the big onshore fields—Asab, Bu Hasa and Bab. Approximately 185,000 b/d can be extracted from the associated gas produced in these fields at their present capacity. At the moment flaring of this gas is a luxury which Abu Dhabi can afford. But it is a very costly delay. Not merely is potential gas revenue being lost but also the project cost itself is almost certainly going to increase beyond \$1.2bn.

R.G.

It's only natural...

only Gulf Air fly nonstop to Abu Dhabi and Dubai

Only Gulf Air offers you nonstop flights from London to both Abu Dhabi and Dubai. We also have the most convenient timetable of flights between London and all the most important cities of the Gulf. No less than 13 nonstop flights each week from London - including our superb Fivestar TriStar service at 10.00 every morning and other departures every evening except Tuesday - and six more from other European cities. The most convenient timetable... luxurious Rolls-Royce powered comfort... beautiful service... all reasons why Gulf Air is the natural choice to the Gulf. For further information, contact your travel agent or Gulf Air.

WEEK	Golden Falcon	London	Bahrain	Doha	Abu Dhabi	Dubai	Muscat
Day	Flight No.	Depart	Arrive	Arrive	Arrive	Arrive	Arrive
MON	GF002	1000	1920		2225		
	GF122	2045		0615		0900	1030
TUES	GF004	1000		1930			2255
	GF008	1000	1920		2225		0010
WED	GF018	2045				0735	0925
	GF012	1000		1930	2225		
THURS	GF018	2045				0735	0925
	GF016	1000	1920				2255
FRI	GF128	2045			0640		0825
	GF006	1000		1930	2225		0010
SAT	GF128	2045	0805			0655	1035
	GF014	1000		1930		2230	
SUN	GF022	2045	0606				0945

the most luxurious airliner the world has ever known

GULF AIR Fivestar TriStar

Office of Flight Safety & Berkeley Street, London W1V 9HF. Reservations: Tel: 01-499 1851
 Fax: 01-256 1122 OFFICE G Birmingham, 021-232 5651 • Manchester, 061-852 9677
 Glasgow, 041-248 0281 • and all offices of British Airways

SUPPLIES AND CONTRACTS INTERNATIONAL S.A.

P.O. Box 4265 Tel: 44738/9
 Abu Dhabi, U.A.E. Telex: 2397 SACAD AH
 Cables: SACAD ABU DHABI

SAC undertakes design, procurement, installation and commissioning of mechanical and electrical services for hotels, airports and large building complexes, and installation of diesel and gas turbine generating plants, pipelines, and petro-chemical complexes. SAC has been operating in the Gulf area for the last eight years.

Lebanon, Jordan, Dubai, Sharjah, Kuwait,
 Bahrain, Saudi Arabia, Ras Al Khaimah, U.K.

UNITED ARAB EMIRATES TRADING COMPANY

ABU DHABI DUBAI SHARJAH AJMAN UMM AL QIWAIN RAS AL KHAIMA FUJEIRA

By far one of the largest Trading Companies in the Gulf.

- ★ Importing all Consumer Goods especially Food Stuffs.
- ★ 30 Distribution Centres throughout the Emirates, with more under construction.
- ★ Turnover of 150 Million Dhs. per year.
- ★ Air Conditioned and Cold Storage Facilities.
- ★ Repacking for all food stuffs.

HEAD OFFICE : ABU DHABI P.O. BOX 4171, 43830 (3 lines) 2365 ABCOT AH

Cable Address : "ABCOT" DUBAI P.O. BOX 3620, 23094, 29006

Telephone : Telephone : Telephone

Telex : Telex

The British Bank of the Middle East

A Member of The Hongkong Bank Group

United Kingdom
Near & Middle East
India
Switzerland

Branches in ABU DHABI
Abu Dhabi; Main Office, P.O. Box 242
and at Al Zaab, Airport Road,
Khalidiya, Sheikh Zayed Street,
Suq, Al Ain, Das Island,
Jebel Dhanna:
and throughout the United Arab Emirates

Head Office

99 Bishopsgate London EC2P 2LA
Telephone: 01-638 2366



بنك الخليج التجاري المحدود

KHALIJ COMMERCIAL BANK

Specialists in all commercial and medium term finance



P.O. Box 2832—Abu Dhabi

United Arab Emirates

Telephone: 45820 Cables: Bankhalij Telex: 2523

General Manager: D. H. ALEXANDER

صندوق البريد ٢٨٣٢ - أبو ظبي
الإمارات العربية المتحدة
هاتف: ٤٥٨٢٠ - برقا: بنكخليج تكس: ٢٥٢٣
المدير العام: د. د. أ. الكساندر

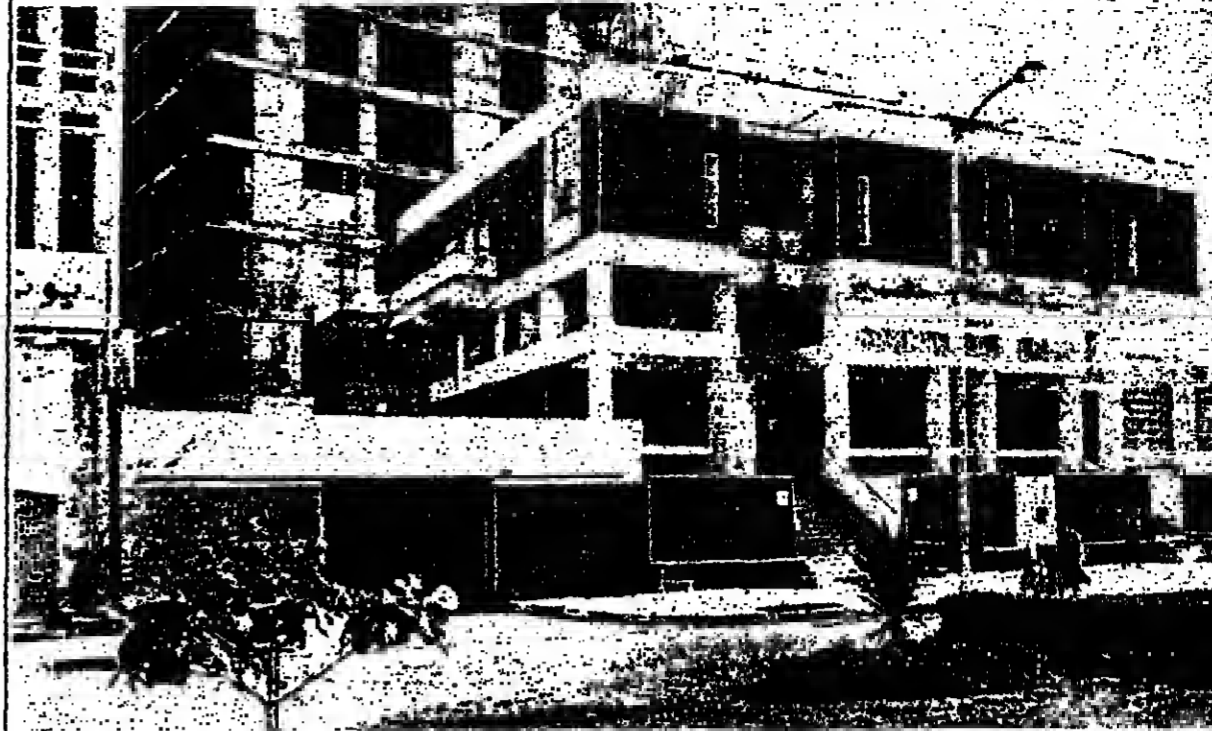
Branches in Dubai and Al Ain

KHALIJ COMMERCIAL BANK LIMITED

BALANCE SHEET AT 30th SEPTEMBER 1976

ASSETS	DH.
Cash on hand and at call with banks	63,665,370
Deposits with banks	55,500,000
Investment at cost	125,000
Medium-term loans to customers	8,250,000
Loans and advances to customers and other accounts	124,018,890
Fixed assets	1,030,664
	DH. 252,589,924
LIABILITIES	
Shareholders' capital	
Issued and fully-paid—280,000 shares of Dh. 100 each	28,000,000
Profit and loss account	901,097
Current, deposit and other accounts	223,688,827
	DH. 252,589,924

ABU DHABI VI



The UAE Currency Board strictly controls the number of foreign banks operating in Abu Dhabi.

Firmer line over foreign banks

THE UNITED Arab Emirates has more banks per head of population than any other country in the world. In a country with only 656,000 inhabitants, there are 32 licensed commercial banks, with 416 branches, and there is a range of other financial institutions. Abu Dhabi has 40 of the commercial banks with 123 branches, six of the 12 restricted licence banks, both money brokers, six of the nine representative offices, one of the six brokers and investment dealers, the UAE Development Bank, one of the two finance companies and neither of the merchant banks (which are both in Dubai).

Twelve of the commercial banks in Abu Dhabi are locally incorporated. The others include British Bank of the Middle East, Chartered Bank, Grindlays Bank, Citibank, First Chicago, Barclays International, Toronto Dominion, Algemeine Bank, Paribas and Lebanese, Egyptian, other Arab, Iranian and Pakistani banks.

This welter of statistics reflects the very liberal approach by the authorities to the banking sector in the past. However, the central monetary authority, the UAE Currency Board, has been taking a much firmer line over the past year or so. No more banks, foreign or local, will be allowed before April 1978 as a result of a two-year moratorium imposed last year, and the managing director of the Currency Board, Ronald Scott, hopes the ban will continue after that.

The moratorium was originally imposed for two years in May 1975, but was lifted in April last year to allow in Lloyds Bank International (which at the time was playing a big role in arranging finance for Dubai's aluminium project) and the national banks of Sudan, Qatar, Oman and Bahrain. For this reason, several bankers in Abu Dhabi feel that the Currency Board might have to relent if the UAE Government decided further foreign Arab or locally incorporated banks should be granted licences.

Moratorium

When the Board reimposed the moratorium in April 1976, it gave major international banks a let-out in the form of restricted licences, which allow all operations except domestic retail banking (dirham deposit-taking). So far 12 of these licences have been issued, but only one RLB (as they are called) is operating: Amex in Dubai. The other 11 should be open by the middle of the year. Only after this sector of the market has begun moving will the Currency Board, according to Mr. Scott, consider whether any further restricted licences should be granted.

Foreign banks also last year faced restrictions on the opening of new branches. The Currency Board will now consider an application from a foreign bank for a new office only for an emirate where it is not already represented. In addition, the Board decided last year to revoke approval of branches of foreign banks that had not been opened by the end of the year, a decision that caused some hasty moves to open offices by one or two banks in December.

A significant move in the regulation of the banking sector was the introduction in March last year of minimum cash reserve requirements for commercial banks. Since May banks have had to keep current account balances with the Board equivalent to not less than 5 per cent. of their deposit liabilities

ing, fixed at Dh.400m. so as not to add any further fuel to inflation. The problem of keeping this under control is reflected in the acceleration in the growth of money supply in the UAE in 1976. Money on the M1 definition increased by about 75 per cent., compared with 69 per cent. in 1975 and 58 per cent. in 1974.

Abu Dhabi is the centre of money market operations in the UAE, with two foreign exchange brokers established there, Emirates Brokers — in which James Capel and Company International and R. P. Martin hold interests — and Tullet and Riley (Middle East) Company.

However, in practice the UAE and Bahrain money markets operate as one, as last month's speculation against the dirham showed. This seems to have been sparked off by a weakening of the dirham as a result of the Abu Dhabi and Dubai governments' failure to provide the Currency Board with sufficient foreign exchange from their oil revenues. When the Board did obtain dollars and started selling to strengthen the dirham, a lot of banks continued buying dollars, ending up very short of dirhams and having to pay penalties to the Currency Board or other banks to get them by settlement day.

Bahraini offshore banks caught in the squeeze claimed the Currency Board's intervention in the market was unnecessary harsh and that the development of an interbank market in dirhams has been set back severely. The Currency Board maintains the dirham market is already back to normal in the UAE and if it is not in Bahrain it is not too worried because it considers there had been too much dealing in the dirham from Bahrain for the size of the currency.

How this affair will affect the development of the UAE as a financial centre has yet to be seen. Much depends on what kind of role the RLBs come to play, and perhaps which of the two Emirates Abu Dhabi and Dubai (with six RLBs each)

Squeeze

Another area the dirham squeeze might affect is moves towards a Gulf currency. The Bahrain Monetary Authority has already said the affair is the difficulties that will be involved in such a step. One think the political difficulties will be too great to overcome for a long time, even if there are no technical reasons why UAE, Bahrain, Qatar, Kuwait cannot use one currency.

What the dirham affair illustrates is the dependence of the whole banking system in UAE on government support (in particular, Abu Dhabi cause of its far greater revenue than Dubai) and foreign exchange requirements which are at a constant level because of the volume of imports and the number of expatriates working in the emirates.

Peter F.

ROAD MARKING

Wilson and Scott, Road Marking Contractors to Local Authorities in U.K. for twenty-five years are currently engaged on white lining a major construction project in Abu Dhabi in partnership with Mahabir Trading Road Marking Division. Abu Dhabi and are seeking additional contracts. Telephone: Abu Dhabi 2850. Telex: London 82723.

Estate Agents

ABU DHABI PROPERTY MANAGEMENT COMPANY

WE PROVIDE SHORT TERM LEASE OFFICES — FULLY EQUIPPED AND STAFFED

WE ALSO SPECIALISE IN THE ACQUISITION AND DISPOSAL OF SHOPS VILLAS OFFICES APARTMENTS AND FURNISHED ACCOMMODATION

P.O. BOX 3514
ABU DHABI

TEL: 24861
TELEX: 2792 MAINCO AB

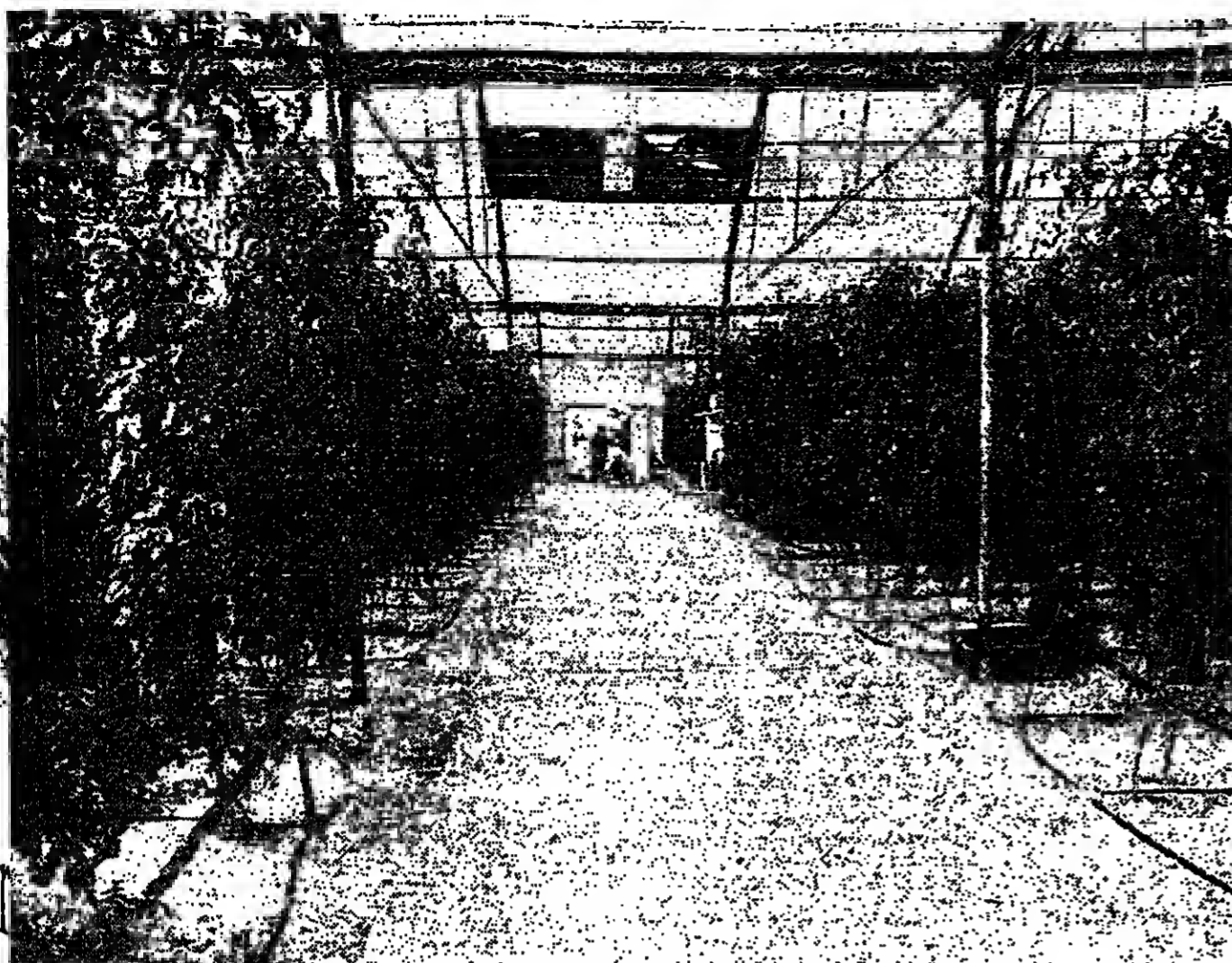
UNIVERSAL TRADING COMPANY

TRADING AND SERVICES

General Agents in U.A.E.

for Ferranti transformers, AEG home appliances, Corvair Cranes, Metek, Fortkirk, Twhlock electric equipment, Power Isolators, Phoenix Panels
Main office: Abu Dhabi, P.O. Box 420
Telephone: 4221
Telex: 242 AB
Branches: Dubai, Sharjah

ABU DHABI VII



Abu Dhabi spends a great deal on experimental agriculture in the Gulf, like this farm on Sadaqat Island.

Generous foreign aid programme

INFORMATION ON Abu Dhabi's foreign aid programme is relatively easy to come by, generous by any standards, as a proportion of national income it is probably the best in the world. Officials in Abu Dhabi are happy to talk about it. Information on the state's commercial investment abroad is more difficult to get. Apart from the natural scope of an investor to reveal his hand, Abu Dhabi also recently fears criticism in the West (despite the highly generous level of its aid, for, say, not giving a few million more to a particular country when many times that is spent on Wall Street.

part of the problem of getting information is that the body charged with managing the state's surplus, the Abu Dhabi Investment Authority, is very young. It was set up in March last year and is not fully staffed. Although it succeeded the London-based Dhahbi Investment Board to a fair degree of continuity, present long-term policy is being formulated. What is clear is that the authority will not just invest in the industrial world. It is not even necessarily committed to overseas, as there seems to be some reason that it will provide funds for the development of Dhahbi's energy-related industries. It will also, it seems, invest in a number of Arab commercial projects.

Participation

These would be additional to participations the Abu Dhabi and UAE Governments have already taken in a whole range of regional institutions, some of which can be classified as aid institutions (the Islamic Development Bank, Arab Monetary Fund) and others as commercial (the United Arab Shipbuilding Company, Arab Shipbuilding and Repair Yard, Gulf International Bank).

The Investment Authority has been chaired by Abu Dhabi's own Prince and an executive committee with six or seven members including John Butler, Emirati's Director of Finance. The authority has four

departments, each with its own head: bonds and equities, property and special projects, Arab and local investment and finance and administration. Advice is provided by a number of foreign banks, some of whom have men permanently in Abu Dhabi. These include Robert Fleming and Company (for London and the far East), the Crown Agents (for London and other areas), Morgan Guaranty and White Weld (the U.S.) and the Union of Swiss Banks (Europe).

A couple of significant new departures are being planned by the Authority. A subsidiary investment company/merchant bank is being established with capital of about Dh.200m., split between the Authority (the majority shareholder), banks and other financial institutions such as insurance companies in Abu Dhabi and the Ruler himself. The authority is also considering extending its bond and equity portfolios to include significant participations in Western industrial enterprises. Apparently, a number of companies have already offered stakes to the Authority.

At present, the Authority probably has about \$4.5bn. on its books — made up of some \$2.5bn. already invested, \$1bn. in cash and a further \$1bn. remaining unspent from the 1976 Abu Dhabi budget.

In order of importance, the investment portfolios are distributed among equities (mostly on Wall Street but also in Europe), bonds (mostly double and triple A corporate issues concentrated in the U.S. and Eurobonds) and property. The latter is relatively small and the biggest slice of it is still the 44 per cent. £36m. stake bought in the Commercial Union building in the City of London in 1974.

For equities, Wall Street is favoured because the market there is wider than in other centres and more can be bought and sold at a time without affecting the market.

According to one source, the general principle behind the investments is not so much to assure a good return as to preserve the purchasing power of funds for future generations. At the moment, all income from investment is reinvested, but this could change fairly soon.

How much will be added to Abu Dhabi's investments this year is difficult to estimate at present because items are being transferred from the Abu Dhabi budget to the union budget and a few details of either have yet been released. But on paper it looks as if Abu Dhabi, assuming it has to pay for almost the entire UAE budget again, will have very little, if any, surplus left, even allowing for increased oil income as a result of the latest 5 per cent. price increase. The preliminary figure announced for the UAE budget is Dh.15.5bn.; the total for the Abu Dhabi development budget is Dh.5.5bn.

Income

With oil income at probably just over Dh.20bn., that leaves barely any for Abu Dhabi's recurrent budget. In practice, however, both Abu Dhabi and the UAE as a whole will probably again fail to spend all their development allocations, and Abu Dhabi's financial position is not likely to be as tight as it looks.

Soft loans

Spearheading the project financing side of the aid programme is the Abu Dhabi Fund for Arab Economic Development (ADFAED), set up in 1971 with a capital of about \$120m. In 1974, its capital was raised to about \$500m. and its scope of operations widened to take in non-Arab Asia and Africa. It gives soft loans for projects that it considers will bring the recipient state a productive return—that will transfer technology and increase resources.

The Fund can lend up to 10 per cent. of its total capital on one project and up to 50 per cent. of the total costs of a project. Repayment is generally over 20-25 years with a grace period of 3-5 years. Interest is 3-5 per cent. plus 1 per cent. for servicing.

Last year was the first time when loan agreements were concluded with non-Arab states. This was because, as deputy director of the ADFAED Nasser Al-Nuwais explained, "the problem with the poorest states is not finding money, but identifying and evaluating projects."

In 1976, loans went to Bangladesh, India, Sri Lanka, Malaysia, the Maldives, Burundi and Mali. But the amount committed to them—Dh.139m.—was only 28 per cent. of the total of Dh.570m. committed in all by the Fund last year. Arab states, notably Bahrain, Morocco and Sudan, still got the lion's share.

The 1976 total is well up on the amount committed up to the end of 1975—of Dh.408m. This year the Fund will be stepping up its supervision of projects (it already pays to the recipient government). One way it is improving its evaluation and supervision of projects is through co-operation and sometimes co-financing with other Arab and regional funds, the World Bank and development agencies of the industrial countries.

Dhahbi's record of aid-giving—whether through the IMF oil facility, the World Bank, other international bodies, OPEC, joint Arab funds or facilities, or on its own account—has been exceptionally generous. The UAE Currency Board in an article to be published in its bulletin has estimated that Abu Dhabi's grants, loans, and participations, local and foreign, last year totalled Dh.5.9bn., Dh.1bn. more than 1975 and Dh.2.8bn. more than in 1974. For at least the second year running, more was given as aid than was actually budgeted for.

Of the total of Dh.5.9bn., foreign loans, grants and participations amounted to Dh.5.3bn., which as a proportion of oil receipts works out as 28.5 per cent. Excluding the participations, the foreign total drops only marginally to Dh.4.9bn. and the proportion of oil income to 27.2 per cent. An estimated Dh.2.4bn. was given as straight foreign grants, compared with Dh.2.2bn. in 1975, and Dh.2.5bn. was foreign loans, compared with Dh.1.8bn. in 1975.

Soft loans

Spearheading the project financing side of the aid programme is the Abu Dhabi Fund for Arab Economic Development (ADFAED), set up in 1971 with a capital of about \$120m. In 1974, its capital was raised to about \$500m. and its scope of operations widened to take in non-Arab Asia and Africa. It gives soft loans for projects that it considers will bring the recipient state a productive return—that will transfer technology and increase resources.

The Fund can lend up to 10 per cent. of its total capital on one project and up to 50 per cent. of the total costs of a project. Repayment is generally over 20-25 years with a grace period of 3-5 years. Interest is 3-5 per cent. plus 1 per cent. for servicing.

Last year was the first time when loan agreements were concluded with non-Arab states. This was because, as deputy director of the ADFAED Nasser Al-Nuwais explained, "the problem with the poorest states is not finding money, but identifying and evaluating projects."

In 1976, loans went to Bangladesh, India, Sri Lanka, Malaysia, the Maldives, Burundi and Mali. But the amount committed to them—Dh.139m.—was only 28 per cent. of the total of Dh.570m. committed in all by the Fund last year. Arab states, notably Bahrain, Morocco and Sudan, still got the lion's share.

The 1976 total is well up on the amount committed up to the end of 1975—of Dh.408m. This year the Fund will be stepping up its supervision of projects (it already pays to the recipient government). One way it is improving its evaluation and supervision of projects is through co-operation and sometimes co-financing with other Arab and regional funds, the World Bank and development agencies of the industrial countries.

What is clear is that Abu Dhabi's aid programme is generous by any standards, as a proportion of national income it is probably the best in the world. Officials in Abu Dhabi are happy to talk about it. Information on the state's commercial investment abroad is more difficult to get. Apart from the natural scope of an investor to reveal his hand, Abu Dhabi also recently fears criticism in the West (despite the highly generous level of its aid, for, say, not giving a few million more to a particular country when many times that is spent on Wall Street.

Emirates Brokers Limited
Abu Dhabi

The First

Specialist Money Brokers in all major Gulf and International currencies with

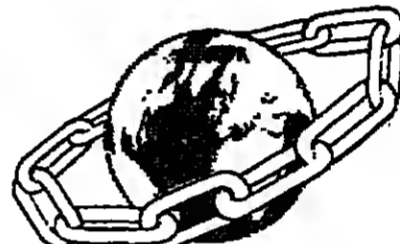


R.P. Martin & Co. Limited

London, Bahrain, Paris, Lausanne, Milan, Hong Kong and Singapore

Associates in Luxembourg, Frankfurt, New York and San Francisco

Emirates Brokers Limited
Zarouni Building,
P.O. Box 2801, Abu Dhabi, United Arab Emirates
Telephone 45158/9/60 (5 lines)
Telex 2326 Emirex AH



A Twelve Link Chain

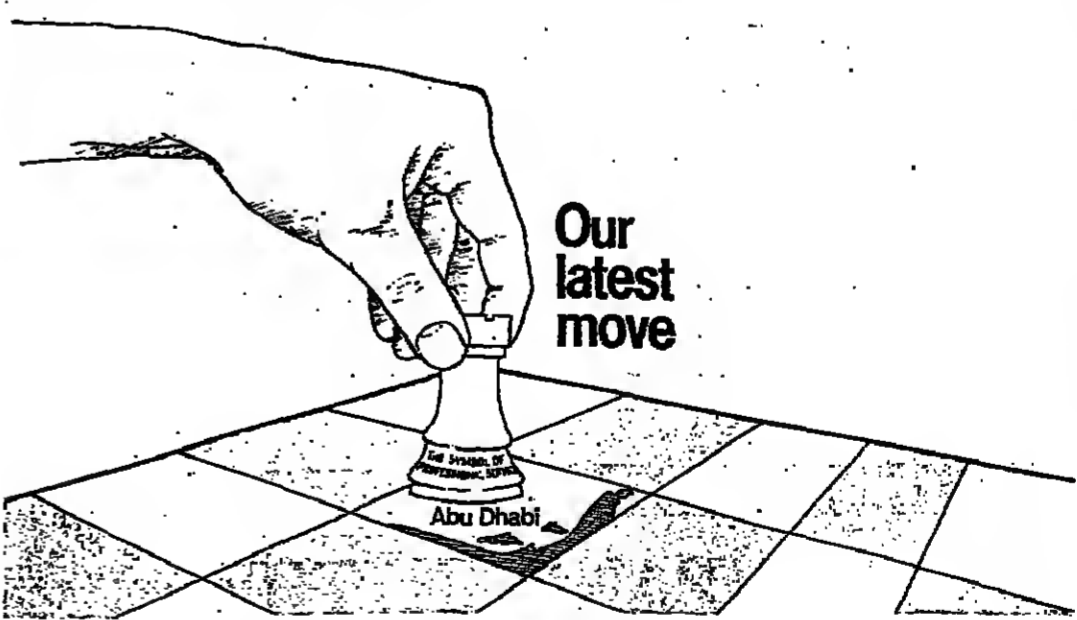
TULLETT & RILEY (MIDDLE EAST) CO.

802 DHAFIR BUILDING
P.O. Box 3772
ABU DHABI

Tel. 25230
Telex 2761

MEMBER OF THE TULLETT & RILEY GROUP OF COMPANIES

INTERNATIONAL MONEY BROKERS



LONDON Tullett & Riley Holdings Ltd.
Ormond House, 63, Queen Victoria St., London EC4N 4ST
Tel: 01-236 5761. Tlx: 884997

NEW YORK Tullett & Riley Greenshields Inc.,
70 Pine Street, 36th Floor, New York 10005
Tel: 363 3720. Tlx: W.U. 129119

ZURICH Transbrokex AG,
Langstrasse 14
8004 Zurich
Tel: 39 89 39. Tlx: 56898/9

NEW YORK Paul Mathews Associates Ltd.,
70 Pine Street, 36th Floor, New York 10005
Tel: 425 2200. Tlx: W.U. 129119

SINGAPORE CORRESPONDENT
Degani and Co.,
1511 International Plaza,
Anson Road,
Singapore 2.
Tel: 0457. Tlx: 23581

TORONTO Tullett & Riley Greenshields Ltd.,
Commerce Court East,
P.O. Box 111,
Commerce Court Postal Station,
Toronto, Ontario.
Tel: 366 8311



EMIRATES MOTOR COMPANY



AL JALLAF TRADING

MERCEDES AGENT
SALES AND WORKSHOP

- Michelin distributor for Abu Dhabi
- Bosch general sales agent for U.A.E.
- Rothmans cigarettes
- Petter engines
- B.I.C.C.
- B.O.C.

P.O. Box 279 Abu Dhabi,
Tel: 77363

P.O. Box 279 Abu Dhabi
Tel: 23968



Two Decades of Motherwell Bridge Activity in Abu Dhabi

Today, Abu Dhabi is a household name in the world oil and gas industry. The Motherwell Bridge Group foresaw this two decades ago, and have been associated with the oil and gas developments in Abu Dhabi, constructing storage tanks for crude oil and other product at gas gathering centres. Motherwell Bridge have also been active in the development of sewage facilities within Abu Dhabi.

As a world-wide engineering organisation, Motherwell Bridge Group specialise in the supply and construction of storage tanks for crude and product storage and

refrigeration storage for liquid gases. They also build spheres, including some of the largest in the world. Other products include pressure vessels, shell and tube heat exchangers, tubular piles, pressure pipe, and for the offshore market, jackets, modules and mooring buoys. They also have a proven capability in turnkey projects. Motherwell bridge have the strength and experience to service the gas and oil industry, from the well-head through gas/oil separation and trans-shipment terminals to bulk storage of the product at the consumer end.

MOTHERWELL BRIDGE ENGINEERING (MIDDLE EAST) LTD.
Resident Area Representative J.H.C. ANDERSON
P.O. Box 3343; ABU DHABI. Tel: 25065.

ABU DHABI OILFIELD SERVICES CO. W.L.L.
P.O. Box 4015 Abu Dhabi. Tel: 22768. Telex: AH2312 ADOS.

ABU DHABI VIII

Clear import pattern emerging

THE VIRTUAL absence of manufacturing industry and agriculture in Abu Dhabi means almost everything has to be imported. But although foreign suppliers have had a bonanza since 1973, saturation point may have been reached for the time being in the quantity of machinery, equipment, food and consumer durables that the economy of Abu Dhabi is able to absorb. At least, that is what the import figures for the first half of 1976 suggest.

Total overseas purchases reached Dh.1.97bn., only 10 per cent more than the Dh.1.79bn. registered in the first half of 1975 and much less in real terms if inflation is taken into account.

This virtual halt in the expansion of the market follows a phenomenal rise in imports from only Dh.353m. in 1970 (when Britain's share was 41.2 per cent.) to Dh.1.02bn. in 1973, Dh.2.27bn. in 1974 (a leap of 123 per cent. in the wake of the new wealth being generated by quadrupled oil prices) and Dh.3.79bn. in 1975 (a rise of 67 per cent.). By then Britain's slice of the Abu Dhabi cake had shrunk to 21.5 per cent., compared with the U.S.'s 17.7 per cent., West Germany's 11.8 per cent., Japan's 10.0 per cent. and France's 7.2 per cent.

Britain's lead was whittled down still further in the first half of last year, and the American share of the market was also reduced, as the Japanese made big inroads into the emirate. Britain's sales in this period dropped significantly in absolute terms by 16 per cent. from Dh.420m. to Dh.361m., reducing its share of the total to 18.3 per cent. The U.S. raised its exports from Dh.278m. to Dh.294m., but its share dropped slightly to 14.5 per cent. The Japanese, meanwhile, stepped up their sales from Dh.215m. to Dh.268m., overtaking West Germany, and expanding their share of the market to 13.4 per cent.

Although Abu Dhabi buys

from 85 or more countries, the vast bulk of its imports emanates from Western Europe (52 per cent. in the first half of 1976), the U.S. and Japan. There is very little trade with other Arab states. Kuwait is the emirate's biggest Arab supplier with a first half total last year of only Dh.62m., most of which was accounted for by distillate fuels. Jordan and Lebanon provide Abu Dhabi mainly with fruit.

The composition of Abu Dhabi's imports clearly reflects its development needs. Like other oil-exporting states since 1973, the emirate is going through an orgy of construction, as the skyline of Abu Dhabi city testifies. The equipment and materials needed for all the offices, apartments, roads, schools, hospitals and other infrastructural developments all have to be imported, as does the often highly technical and expensive equipment for oilfields and oil-related industries.

Demands

At the same time, the influx of vast numbers of expatriates and an increasing standard of living for most UAE nationals demands much higher levels of food and consumer goods imports than previously, as well as a broadening of the range of goods being brought in. All this is reflected in the trade statistics out of total imports of Dh.1.97bn. in the first half of last year, no less than Dh.1.05bn. worth was machinery and transport equipment. Manufactured goods accounted for Dh.440m. and miscellaneous manufactured articles Dh.131m. Food and live animals made up another Dh.124m.

Each of the major exporters to Abu Dhabi has its particular niche in the market: Britain; construction machinery, tele-

communications equipment, turbines, food, drink (especially Scotch and gin) and cigarettes (Dh.12m. worth of these in the first half of last year); the U.S., equipment and materials for the oil industry, construction machinery and cars; Japan; cement, iron and steel (in which it has the market almost cornered) and, inevitably, cars, lorries, trucks, cameras and sound equipment; and West Germany, lorries and trucks, electric power machinery, boilers and turbines.

Japanese cars are everywhere in Abu Dhabi, but because of their relative cheapness in the first half of last year, at Dh.27m., Japan's lead over the makers of more expensive models—the U.S. (Dh.19.4m.) and West Germany (Dh.16.9m.)—was not as great as it would seem from a casual count on the streets of Abu Dhabi city.

The Japanese, Americans and Germans have between them got all sectors of the car market sewn up and it is difficult to see how British Leyland will be able to make any impact, especially as, nearly a year after coming off the Arab Boycott list, it is still deciding on who to appoint as its agents in the UAE. In any case, even if it did get the orders, there would still be doubts about its ability to deliver, as the vast unsatisfied demand for Land Rovers and Range Rovers in the UAE and the Gulf generally over the past few years suggests.

Failure to deliver on time has become a much more general characteristic of British exporters to Abu Dhabi over the past three or four months, according to buyers in the emirate. On top of this and the fall in British exports to the emirate last year is the failure of British companies to win any large contracts in Abu Dhabi over the past three or four months. A more general

reason for pessimism about prospects for British exports to the emirate is that, as the historical links with Britain recede into the past and a new generation of UAE nationals rises to positions of authority towards Britain as their predecessors, there will be less natural inclination for Abu Dhabians to do business with Britain.

Legislation

The Americans, too, have their worries. The biggest one is the impact of legislative moves in the U.S. to counter the Arab boycott of Israel. The existing legislation is enough to put many American companies off trying to win business in the Arab world, but the threat of much more severe sanctions being imposed this year, perhaps including criminal penalties, is proving enough to deter all but the U.S. companies with many years of experience in the Arab world. The result in Abu Dhabi is that some big contracts are being awarded without any major American companies having tendered.

Another U.S. law that seems to be hitting that country's overseas business is the new tax law which has at least doubled the tax bill of an American working abroad, as well as hit his allowances—a crucial part of an expatriate's income in a place such as Abu Dhabi where basic living costs are so high. As a result, American firms are finding it hard to get personnel to work abroad (some are looking in Europeans to fill the gap) and presumably this could soon have an impact on the volume of American business done with Abu Dhabi.

All this leaves the Japanese

in an enviable position. They are already the leading exporters to Dubai, which imports about twice as much as Abu Dhabi and in the first six months of 1976 they were only just ahead of remaining from Britain in position as leading exporter; the two emirates combined, in position they carried out themselves between 1972 and 1974.

In the first half of last year Japan's exports to Abu Dhabi and Dubai totalled Dh.1.14bn., marginally below Britain's Dh.1.132bn. In addition, Japanese are pushing hard to improve their sales performance still more. A top-level business delegation, headed by the chairman of Nippon Steel and including fifty or so equally illustrious industrial and banking names, was scheduled to visit the UAE over the week.

For the potential impact into Abu Dhabi, a local agent or some form of local representation is essential. A potent importer wanting to sell to the private sector in Abu Dhabi (and to most government departments) must go through a local trading company sponsored by or owned by Abu Dhabi citizens. The law is finding an agent distributor with a good reputation and market ability who is not already representing a rival company. Importers will also face a common problem in the oil-exporting states of getting their goods into the congested ports, which handles a lot of Abu Dhabi's imports as well as other entrepot trade, a present subject for delays than Abu Dhabi's waiting time for unloading Dubai is about 60 days, at Dubai about half that.

Wealth attracts an immigrant problem

THE SINGLE most influential factor that will determine not only the future of the UAE but many other Gulf States as well, is population. The Arab oil world has always been secretive about population statistics. Few if any are ever published, and census polls are rarely taken.

The United Arab Emirates had its first census just two years ago, and though the general estimated totals have been published, precious little else has. The ethnic make-up of the community, the varying incomes and needs of the many components of it, have been kept confidential. In the words of a Government official, anything to do with the population is "classified."

In view of the lack of figures available on the subject, the proportion of nationals to foreigners can only be estimated; however, informed sources believe that UAE citizens constitute less than 20 per cent. of the present population. In Abu Dhabi this situation is less notable than in Dubai where there are large populations of Asians, beginning to group together in growing shanty towns. Abu Dhabi, however, is the capital of the UAE.

and to run its mammoth bureaucracy and its projects it has imported large numbers of skilled Arab administrators, hence the more Arab character of the community.

Planning experts in the Abu Dhabi Government estimate that in order to enact the three-year plan which is presently being finalised, the Emirate will need to import approximately 183,000 more people. The present population of the Emirate is 210,000, and thus this new influx will almost double the present total—and more significantly lower the ratio of nationals to non-nationals to even lower levels. Of this total of required labour, it is thought that about 64 per cent. will be unskilled workers and the other 36 per cent. skilled labour, technicians and administrators.

Very few of this required labour force will be generated by the birth rate of the nationals, for although the population of Abu Dhabi is estimated to increase by 22 per cent. every year, only 3.8 per cent. are from births of UAE nationals. The figures for the first six months of 1976 show that the number of hospital births of nationals in Abu Dhabi

city was 739, while of non-nationals 1,153. Nor does this reflect the exact number of hundred nationals last year births to families, for many of them choose to go abroad to have their children. Add to these figures the continuing flow of Egyptians, Palestinians, Jordanians, Yemenis and the exploding Asian populations, and it is easy to see why the situation is causing considerable concern to the central government. Already, birth control is forbidden to UAE nationals, and now there is serious consideration being given to halting the growth in the size of the bureaucracy and ending illegal immigration.

Discrepancy

Already the discrepancy between non-nationals and nationals can be clearly seen in the use of the country's social services. The Health Ministry estimate that in some urban areas such as Abu Dhabi and Dubai, the proportion of patients who are nationals is as low as 10 per cent. In the rural remote Emirates it is naturally higher. However, it is nationals who are entitled to expensive local builders, though

non-treatment abroad, a which was used by a reflect the exact number of hundred nationals last year of education in the field of education in the private level schools was high, siluting almost 75 per cent the intake, but at the second level it is only a quarter of total number of students. The most sensitive issue on the population problem of housing. There already been grumbles in National Council that when foreign expert receives accommodation immediately upon arrival in the UAE, local citizens are being made wait while the schemes provide low-cost housing finished.

However, the most noticeable influx into the country is unskilled labourers from Asia countries. It is difficult to say how many of the 40 labourers currently working in Abu Dhabi's construction industry are in fact legal immigrants brought in on visas arranged by building contractors. Permits to import labour from the higher. However, it is nationals who are entitled to expensive local builders, though

CONTINUED ON NEXT PAGE

مكتب التوظيف في دولة الإمارات العربية المتحدة



ABU DHABI NATIONAL INSURANCE CO.

(Incorporated 1972)

CAPITAL PAID UP DH 10,000,000
(ABOUT U.S. \$2,500,000)

THE LEADING INSURANCE COMPANY IN THE UNITED ARAB EMIRATES

SHEIKHA MARIAM BLDG., LEEWA ST. OFF SH. KHALIFA ST.
P.O. BOX 839 - ABU DHABI
TEL. 43171 - CABLES/TELEX: AH 2340/ADINSURE



In whatever field - and wherever - you need insurance, Minet is the name to remember. Minet are Lloyd's International Insurance and Reinsurance Brokers handling all classes of business in over 100 countries and with a special knowledge of the Middle East, based on over 30 years' experience. Contact John Macgregor, Managing Director, Middle East Division, J.H. Minet & Co. Ltd., Minet House, 66 Prescot Street, London E1 8BU. Tel: 01-709 0707 Telex: 888225 Minsuret.

The name that's recognised for insurance and reinsurance in the Middle East and worldwide

ABU DHABI IX

Soaring tower blocks and soaring rents

A recent meeting in Dubai cost. From then on, the contractor and consultant are chosen in consultation between the banks and the landlord, the banks undertake to provide tenants for the finished building. This system has led to abuses in the past and last year led to a corruption trial in Abu Dhabi which resulted in a number of people being imprisoned or deported. According to reports available at the time, the case involved allegations that a bank manager was providing finance to citizens on condition that they accepted certain consultants and contractors from whom he was receiving payment.

However, once a new building is completed, it will take three or four years before the bank's loan is repaid. Securing a new flat is a hazardous process: gambling goes on by the board, and even when the cash is handed over and signatures put to documents, it could be the start of problems, for in Abu Dhabi there is no protection at all for the would-be tenant.

Services

It may be found that the promised electricity and water will not materialise for another six months because the local electricity department does not want to overload the system by connecting new blocks during the peak summer months. (This happened to one British family who were obliged to continue paying nearly £10,000 p.a. for the dubious privilege of living in a waterless apartment without air conditioning.) The golden rule is to always sign a lease which dates from the time of connection of the essential services.

Or it may be found that an unfurnished flat is literally that — with holes in the wall for the

"fittings are a bit ropey" admitted one agent.

Office space in the desirable main streets of the city is now available for rental at Dh1,000 a square metre a year. There is very little purpose-built office accommodation available, though the supply is rapidly increasing as developers become more aware of the profitability of such property. Other types of housing such as studio bedsits, bachelor units and furnished apartments are extremely rare and difficult to come by.

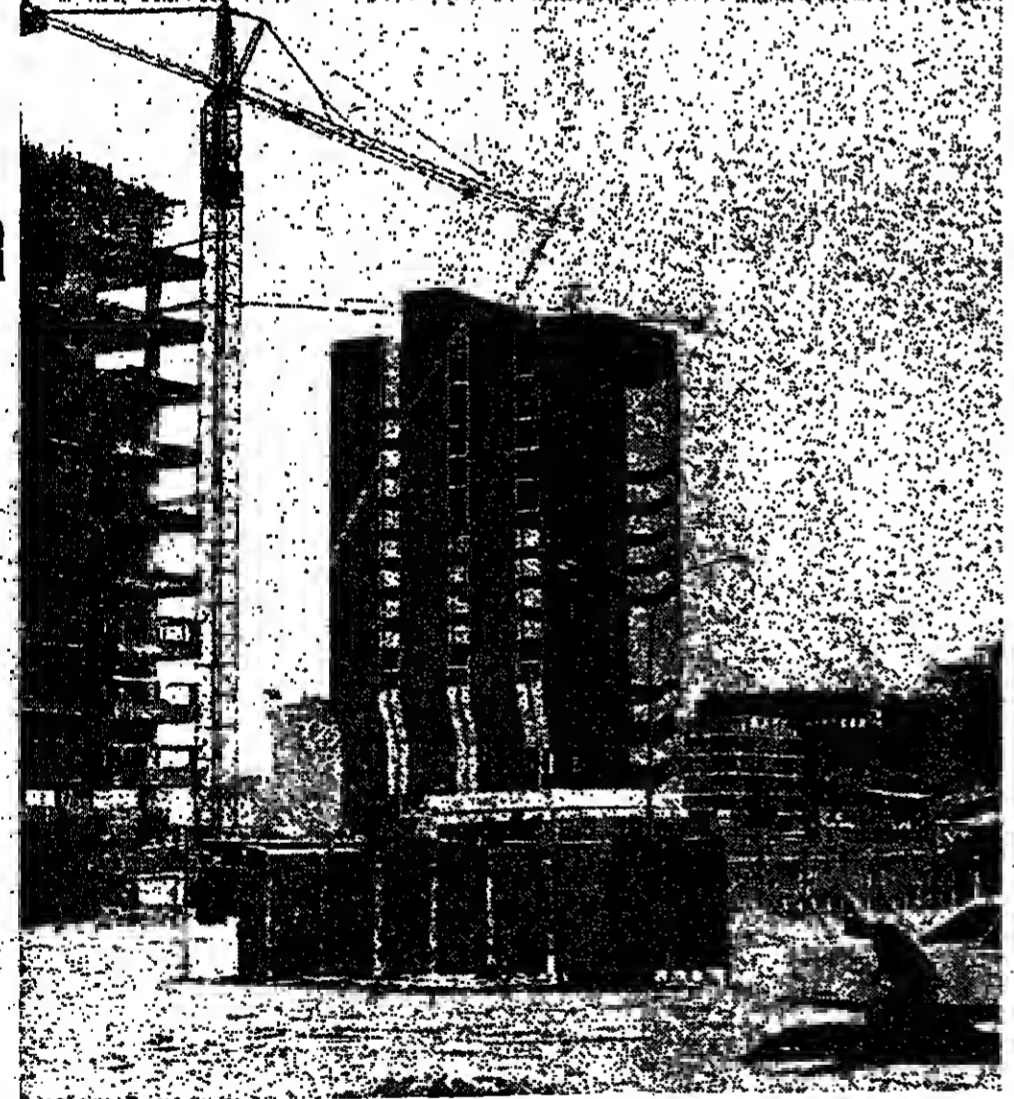
Improving

In general it can be said that building standards are improving in Abu Dhabi. Landlords are becoming more quality and design conscious in their choice and there are now some imaginative designs appearing round the city. In the past the construction contracts for such blocks have been largely in Arab hands, with often foreign Arab architects and a combination of local and foreign contractors in joint ventures. Now the building standards are improving (bred by spirit of competition between the landlords), there seems to be more opportunities for the more experienced sophisticated western building companies. Another consideration is that many of the blocks are now over 15 storeys high, and rigid standards will need to be applied.

It is the oil companies in Abu Dhabi that have first view of the choicest flats. In the past they have proved popular tenants because of their willingness to take the whole building off the landlords' hands and provide any maintenance required. The oil companies are still absorbing two new blocks a week.

The second largest consumers of the new high rise tower blocks is the Government. As all land development and ownership is restricted to nationals of the UAE, many have come to regard their rents almost as a national wage. There seems little willingness by the Government at the moment to build large compounds where the foreign administrators of the bureaucracy can live, preferring instead to go to the commercial market.

However, in recent months there have been increasing mummings about the rental situation, for not every one repudiation between the landlords), there seems to be more opportunities for the more experienced sophisticated western building companies. Another consideration is that many of the blocks are now over 15 storeys high, and rigid standards will need to be applied.



tighter building standards are leading to greater opportunities for Western construction contractors.

Immigrants

CONTINUED FROM PREVIOUS PAGE

Not only are greater efforts being made to plug the gaps in immigration control, but greater attention is being given by the Government to growing this bureaucracy. Earlier this month the Cabinet decided to halt all recruitments of civil servants for a period of three months. A committee has been set up to recommend new methods of regulating the growth of Government departments, and to assess their present performance. The Cabinet felt that Government ministries had not been strict enough when deciding their manpower requirements, and that there had been a certain amount of over-staffing. The number of Government employees was estimated last December at 24,000, an increase of 700 per cent. over 1973's figure.

With the UAE federal budget estimated this year to be in the region of Dh15.5bn., it is thought that a great many foreign bureaucrats will be needed to deal with this massive



The Dutch sell beer in 140 countries. The world's biggest port, Rotterdam, is Dutch. Who are dredging all over the world and constructing new dikes and harbours? The Dutch. The first continental commercial airline to New York was Dutch. Holland is too small for the Dutch. Does it surprise you then that a Dutch bank, the ABN bank, has branches in almost every financial and trade centre in the world?

The Dutch are globe trotters. They have to be, if their small country is to mean anything in the world. They have been building, transporting and trading in foreign lands for centuries. So has the ABN with 180 branches in 40 countries on the five continents. Supporting local as well as international banking needs. They know the right people, the languages, the markets, due to their 150 years of international business and banking experience.

Everywhere the ABN bank can offer you the same service based on the support of their head office experts in Amsterdam and their strong financial position.

Apply for the brochure "The foreign network of the ABN".

London, Chief Office, 61, Threadneedle Street, EC2P 2HH, P.O. Box 503, Telephone (011 628 4272).

Abu Dhabi, Sh. Hamdan Street, P.O. Box 2720, Telephone 45400.

Bahrain, Government Road, P.O. Box 350, Telephone 55420.

Sharjah, Al Zayani Building, Al Arouba Street, P.O. Box 1971, Telephone 25021.

Dubai, Kuwaiti Building, Binyas Street, Deira-Dubai, P.O. Box 2567, Telephone 25156.

Fred. Olsen Seaspeed Ferries

Middle East HIGHWAY

The fast way to the world's most rapidly developing area.

NO PORT DELAYS—QUICK DISCHARGE

For all kinds of cargo—wheeled trailers, plant, machinery, containers, pallets, units. Find out how helpful this RO RO service is by ringing us now.

Sales enquiries, quotations and bookings: Fred. Olsen Seaspeed Ferries, Stavros House, 154/156 Finch Church Street, London EC2M 6BU Tel: 01-823 1861 Telex: 88123

Port Agents: Fred. Olsen Ltd., Amman House, Trinity Avenue, Falmouth, Cornwall PL11 8NF Tel: 029 42 70344 Telex: 36719

Looking for business in the UAE? Do you need temporary offices in the UAE?

We can offer you the following:

- Business address facilities
- Telex and telephone facilities
- Multi-lingual top secretaries
- Fully equipped executive offices for daily or monthly rental
- Facilities for taking and forwarding messages
- Contact with the right people for your product

Enquiries to: THE KUBBA CORPORATION

P.O. Box 3099 Abu Dhabi, U.A.E. Tel: 23671 and 23281 Telex: 2709 MDC AH

ABN

Algemene Bank Nederland

Vijzelstraat 32, Amsterdam, The Netherlands.

Insurance and world

When the Financial Times looks at the Middle East, you get a lot more than the news.



And we look at the Middle East practically every day. Its politics, personalities, business, trade and industries.

The result is the widest, most informed coverage of the Middle East you're likely to find in any English-language newspaper.

Besides the latest news, the Financial Times also reports on various Middle East countries and areas of interest through regular Surveys.

Recent FT Middle East Surveys have been reprinted in book form (copies are available from our London office).

The list of those appearing in the FT during the first six months of this year shows our interest continues unabated.

So if keeping up to date with the Middle East is important to you, keep up to date with the Financial Times.

Middle East Surveys appearing in the Financial Times (January-June 1977)

Bahrain	January	Dubai	March	Arab Shipping & Ports	April
Abu Dhabi	February	Saudi Arabia	March	Jordan	April
Kuwait	February	Middle East		United Arab Emirates	May
Qatar	February	Banking & Finance	March	Iran	June

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Bracken House, 10 Cannon Street, London EC4P 4BY.
Telephone 01-248 8000.

POLITICS TO-DAY

BY DAVID WATT

A loosely-fitted Kitchen Cabinet

It is hard to know whether... Sir Harold Wilson... Kitchen Cabinet... Mr. Haines... advice of seeing that his strategic writ runs in the outlying parts of the administration...

Forays... Mr. Heath seems to have felt a similar sense of embattled isolation... Mr. Heath's social background and his initial desire to end consensual Butskellite policies...

Insecurity... The dreaded disease made its appearance in the Lloyd George and Heath Kitchen Cabinets... The passage of the 1976 Act, giving Opposition parties funds to assist them carrying out their parliamentary work...

Brouhaha... Yet when all this is said, it is pointless to suppose that prime ministers are not going to have personal confidants... Loyd George, perennially short of cash, took the simple way out and sold off honours...

Loyalty

That someone must be independent enough to argue the pros and cons of a particular course of action, but must argue within the context of his master's interests and nothing else... This list is suggestive—particularly the last three names on it...

Modernise the unions

Mr. A. Hamilton... Mr. Jenkins's role (February 8) in the lock report with interest, and did sense his evident delight at the hostile reaction from the echelons of British industry...

Letters to the Editor

Power over the Board... Mr. E. Dodson... Sir, I go some of the way with your correspondent Mr. David Jenkins (February 8) in his criticism of apparent complacency in Boardroom thinking...

Improve the insulation

Mr. L. Baldwin... Sir, With regard to Mr. Ernest Brooks' "chilly advice" (February 3) on conserving energy, I agree with his implied comment that if the world is to be saved, energy must be organised on a world-wide basis...

Charge for planning

Mr. H. Thornley... Sir—Now that the country is at last becoming cost conscious in its use of resources, it is not surprising that applications for planning permission are being charged a fee...

Civil Service pay

Mr. M. Westman... Sir—The letter from Mr. Keodd published on February 7 shows clearly why the pension deduction made by the Government Actuary in assessing civil service pay is inequitable...

Bigger loans to repay

Mr. S. Penwill... Sir—Much fuss was made on February 3 about the increase in our so-called "reserves," which arose from an inflow of currency presumably sent here to earn a rate of interest unobtainable elsewhere...

British Rail spending

Mr. G. Stern... Sir—You report that British Rail wants to spend £25m on automatic ticket barriers in London in order to stop some of the fare dodging which it considers may cost over £8m per year (February 7). But even if it saves £3m per year, return on capital will only be 12 per cent...

To-day's Events

GENERAL... Mr. Eric Varley, Industry Secretary, meets shop stewards at British Leyland's Loogbridge plant, Birmingham... TUC Youth Conference, London... OFFICIAL STATISTICS... COMPANY RESULT... COMPANY MEETINGS... OPEKA... MUSIC... OPERETTA...

Responding to Bullock

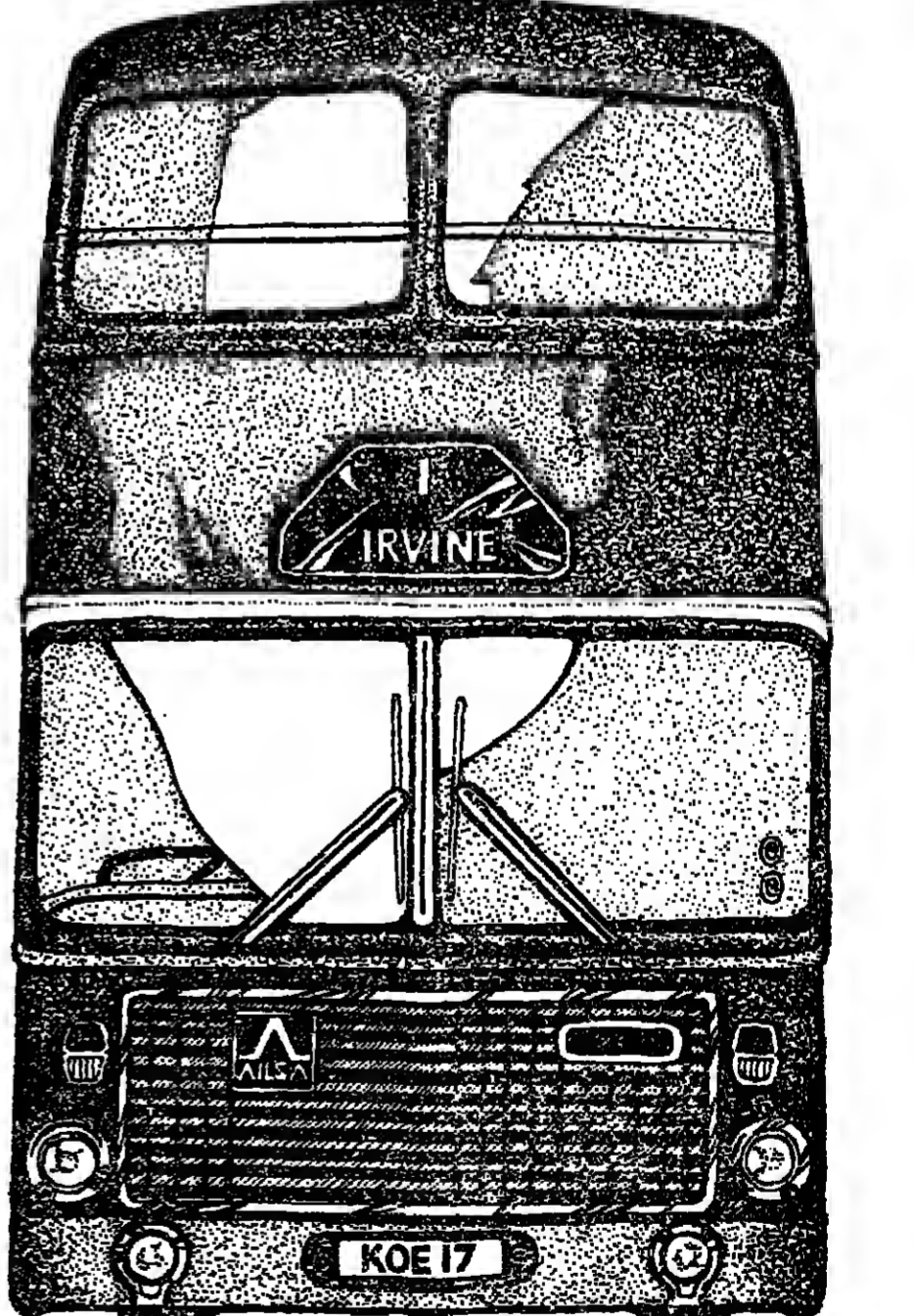
Mr. A. Munson... Sir—I was hoping that Clive Jenkins's article (February 8) on the "majority view" of the lock report would contain some arguments to counter criticisms put forward by, for example, the chairman of the N (February 2). It, however, ignores his response to the claims which will be created by implementation of the proposals...

Conserving energy

Mr. E. Ambrose... Sir—The EEC Commissioner responsible for energy conservation, Herr Guido Brunner, has stressed the urgent need for a common policy to develop resources, economise and work together... Our immediate priority must be conservation in the form of energy consumption with as few smaller cars and better-insulated buildings...

British Rail spending

Mr. G. Stern... Sir—You report that British Rail wants to spend £25m on automatic ticket barriers in London in order to stop some of the fare dodging which it considers may cost over £8m per year (February 7). But even if it saves £3m per year, return on capital will only be 12 per cent...



Irvine is the head office of Ailsa Bus Ltd. It was in Irvine that the original idea for a modern front engined double decker suitable for one-man operation was conceived... By introducing a new industry and further job opportunities, the Ailsa Group has made a valuable contribution to the commercial and social life of Irvine... THIS IS AN ADVERTISING VEHICLE FOR IRVINE NEW TOWN.

Dalgety marginally up after six months

A MARGINAL rise in pre-tax profit from £7.8m. to £8.1m. is announced by International Merchants Dalgety for the half year to end December, 1976. For the full year 1976-76 the figure was £15.6m.

BOARD MEETINGS

- The following companies have notified dates of Board meetings to the Stock Exchanges. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's announcements.

tion £1.0m. (£11.6m.), food processing and distribution £36.4m. (£48.4m.) based on trading and marketing £103.6m. (£73.4m.), property £2.0m. (£1.8m.) and chemicals and engineering £33.4m. (£33.0m.).

Peak £0.4m. for Plastic Constrns.

TURNOVER HAS increased by £1.5m. to £5.5m. for Plastic Constructions and pre-tax profits have risen to a record £495,828 against £381,733 for the year ended September 30, 1976. Profit after six months was £165,493 compared with £178,963.

Table with 5 columns: Item, 1976, 1975, 1974, 1973. Rows include Turnover, Profit before tax, Net profit, etc.

Earnings improvement by Birmid Qualcast

STATED earnings per 25p share of Birmid Qualcast amounted to 11p for the group and it is our intention to increase it to 12p for the year ended October 30, 1978, compared with 8.1p in the previous 52 weeks on an annualised basis earnings rose from 8.1p to 8.5p.

Table with 5 columns: Item, 1976, 1975, 1974, 1973. Rows include Turnover, Profit before tax, Net profit, etc.

Growth sought by Watson & Philip

Ample funds are available at Watson and Philip for possible further growth opportunities in the current year, as well as the foreseeable expansion of existing operations and acquisitions recently made, states the chairman, Mr. Robert Watson.

The directors say that since the end of the financial year arrangements have been made to acquire Harvie and Watson—reorganisation costs will be incurred and a move to Invergowrie will involve some expenses. Nevertheless, these changes, together with the Centra Wholesale Groceries operation acquired in May 1976, should result in an additional contribution to the year's result although the major part of the contribution will be in the first half of 1977.

Table with 5 columns: Item, 1976, 1975, 1974, 1973. Rows include Turnover, Profit before tax, Net profit, etc.

BOND DRAWING

THE GOVERNMENT OF PAPUA NEW GUINEA 9 1/2% Guaranteed Bonds 1983

S. G. WARBURG & CO. LTD., announce that Bonds for the amount of U.S. \$1,000,000 have been drawn in the presence of a Notary Public for the redemption instalment due 15th March, 1977.

The numbers of the Bonds drawn are as follows:-

Large table with 7 columns: Bond numbers 7-230. Lists individual bond numbers for the Government of Papua New Guinea.

On 15th March, 1977 there will be a drawing and payable upon each Bond, drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:-

S. G. WARBURG & CO. LTD., 30 Gresham Street, London EC2P 2EB.

Interest will cease to accrue on this Bonds called for redemption on and after 15th March, 1977. Bonds so presented for payment must have attached all coupons maturing subsequently to 15th March, 1977.

The following Bonds, drawn for redemption on 15th March, 1978, have not as yet been presented for payment: Nos: 1203: 1384: 2289: 2361: 2888: 2904: 3298: 3302: 3338: 3375: 4895: 4931: 4987: 6885: 8079: 8118: 8152: 8382: 9744: 9780: 11118: 14169: 14196: 21969.

30 Gresham Street, London EC2P 2EB. 11th February, 1977

Improvement by Goode Durrant

AN IMPROVED second half performance resulted in taxable profits of £226,000 for the six months to October 31, 1976. Murray Group expanding from an equivalent £34,000 to £47,000 in the year to October 31, 1976. Last year's profit has been adjusted to £112,000 to reflect a change in policy under which credit for interest on property development finance is taken only when received. Before the adjustment last year's figure was £388,000.

Elbief falls to £117,000 halfway

Pre-tax profit of Elbief fell by £20,000 to £117,000 for the six months to October 31, 1976. The tax charge amounted to £91,000 against £77,000 but excluded any stock inflation relief which may be applicable.

Rawlings Bros. The house building and property subsidiary Rawlings Bros. of Goode Durrant, announces a £140,000 second half turn-over with a pre-tax profit £30,000 for the year, compared with a first half profit of £132,000 and a profit of £42,000 for the previous 12 months.

First half setback for Manordale

Pre-tax profit of Manordale Group fell to £24,140, compared with £44,630 for the six months to September 30, 1976. Turnover dropped to £1,200,000 from £1,260,000. The tax charge was £12,032 against £24,144. Last year's total profit amounted to £8,114 after a charge of £46,675 bed debt.

Cardinal Trust rises to £0.61m.

Pre-tax revenue of Cardinal Investment Trust for 1976 was up from £397,286 to £596,412. Stated dividend of 25p per share deferred shares are 345p against 3.25p adjustment for the capitalisation issue, and the dividend total is lifted from 3p (adjusted) to 3.3p with a final of 2.13p in 1976.

London & Lomond Trust After all charges, Preference dividends end tax of £252,631, compared with £218,839, net revenue of London and Lomond Investment Trust increased from £381,280 to £418,039 for 1976. Gross revenue was up from £9,700, to £10,200.

Freeshill property and other fixed assets are shown at £216,088 (£391,583).

Net asset value is 77p (70p).

Net asset value is 77p (70p).

ONE WORD FROM US, AND MOST OF YOUR EMPLOYEES WILL LEAVE-GLADLY.

When your employees retire they look to you for a decent pension. And rightly so. But as from this year, they'll be asking more questions than usual about pension benefits.

Questions like: what salary-level will benefit least/most from the state pension scheme? Like: do you intend to use the existing company pension scheme to opt out of the state scheme? Or even: why don't we have a company pension scheme?

And so on. If you'd like to prepare all the answers before the questions are asked, perhaps you should have a word with us.

At F S Assurance, we've been providing pension schemes since 1899. We specialise in schemes for the small-to-medium sized company. Aiming to give a personal service. A flexible scheme. Talk to your Broker—he'll tell you all about F S Assurance. Alternatively, have a word with Alex J. Small, our Pensions Manager.

Here's where to find him.

FS ASSURANCE LIMITED History in the building. 180 West George Street Glasgow G2 2PA Telephone: 041-332 6482

Independent Newspapers Limited

Extracts from Report of the Chairman Mr. R. T. Murphy in the Independent Newspapers Ltd. Annual Report for year ended December 31, 1976. As indicated in the interim statement to shareholders in August 1976 the year has witnessed a substantial degree of profit recovery from the depressed levels of 1974 and 1975.

Table with 2 columns: Item, 1976, 1975. Rows include Group Turnover, Profit before Tax, Profit after Tax, etc.

Copies of the Director's Report and Statement of Accounts for 1976 from: John Mitchell, Secretary, Independent House, Dublin 1.

RECENT ISSUES

Table of stock prices under 'EQUITIES' with columns for Issue, Date, Price, etc.

Table of stock prices under 'FIXED INTEREST STOCKS' with columns for Issue, Date, Price, etc.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue, Date, Price, etc.

Arthur Lee & Sons Ltd.

Producers and Stockists of Bright Bars, Cold Rolled Strip, Wire and Wire Ropes in Carbon and Stainless Steels.

Table of financial results for Arthur Lee & Sons Ltd. for years 1976 and 1975.

Points from the Statement by the Chairman, Mr. H. P. ORDER. Pre-tax profit for the Group of £1,998,778 compares with £1,385,205 for the year 1975/76 against improvement reflecting varying fortunes in the different sections of our activities.

BIDS AND DEALS

Rival approach to Stanneylands

A counter bid worth 2,000,000 has been launched for Stanneylands, the hotels and restaurants...

Indications last night were that, given these conditions, Greenall would not be in a position to even mount its bid...

Full bid for Reed and Mallik

Hamilton, which holds a 28 per cent. interest in civil engineering contractors Reed and Mallik...

Wm. Hill buys Slater Walker betting shops

William Hill Organisation, a subsidiary of Sears Holdings Inc., in a deal worth some £10m...

Serck to give forecast soon

Mr. Robin Martin, chairman of the Serck Group, has promised shareholders a profit forecast and other details about the company...

RTZ CALLED TO THE HIGHLANDS

The Highland Regional Council has called in the Rio Tinto-Zinc subsidiary, Riofina, to undertake preliminary geological assessment...

SHARE STAKES

Johnannesburg Consolidated Investments has reduced its holding in the company to 40,000 shares...

WCB is confident of holding off Guinness

With White Child and Beney moving up higher to 70p yesterday against an offer from Arthur Guinness worth 65p in cash...

RECKITT & COLMAN U.S. VENTURE

Reckitt and Colman and Morton-Norwich Products Inc., of Chicago, Illinois, announced that the chief executives of the two companies...

Sketchley comes out with offer for Johnson

A surprise take-over bid for Johnson Group Cleaners has been mounted by Sketchley. It is successful. It will create one dominant force in dry cleaning...

Wm. Hill buys Slater Walker betting shops

William Hill Organisation, a subsidiary of Sears Holdings Inc., in a deal worth some £10m...

Serck to give forecast soon

Mr. Robin Martin, chairman of the Serck Group, has promised shareholders a profit forecast and other details about the company...

RTZ CALLED TO THE HIGHLANDS

The Highland Regional Council has called in the Rio Tinto-Zinc subsidiary, Riofina, to undertake preliminary geological assessment...

SHARE STAKES

Johnannesburg Consolidated Investments has reduced its holding in the company to 40,000 shares...

WCB is confident of holding off Guinness

With White Child and Beney moving up higher to 70p yesterday against an offer from Arthur Guinness worth 65p in cash...

RECKITT & COLMAN U.S. VENTURE

Reckitt and Colman and Morton-Norwich Products Inc., of Chicago, Illinois, announced that the chief executives of the two companies...

HME DEALINGS

The first day of dealings in Harrison's Malaysian Estates (HME), the new plantation company formed by the merger...

DUPLÉ SHARES

Shares in Duplé International, coachbuilders and engineers, which were held by Bowman and Walker, namely 3,225,000 ordinary shares...

MAYNARDS SALE

Maynards has concluded negotiations for the disposal of some 327,000 of all the retail coffee-cannery shares including trading stocks of Maynards (Canada) Ltd.

MINING NEWS

Bougainville's earnings mark time in 1976

A MIXED showing is made by the 1976 results of the Rio Tinto-Zinc group's Bougainville copper-gold mine in Papua New Guinea...

ROUND-UP

South Africa's East Driefontein says that it has re-employed 31 of the 250 white members of the Mine Workers' Union...

BANK RETURN

Table with columns for bank names and financial figures.

MINING BRIEFS

Bougainville copper-gold mine has received a 10% increase in the price of its output...

WOODHOUSE AND RIXSON CONFIRMS DENIAL

Mr. Scott Baker, chairman of Woodhouse and Rixson, the Sheffield fatigue and forge specialists...

TIN COMPANIES' DOMICILE MOVE

Owing to "unforeseen difficulties" delays have occurred in securing the proposed transfer of domicile from the U.K. to Malaysia...

NATIONWIDE LEISURE

A circular is being sent to shareholders of Nationwide Leisure urging them to reject the 580,000 offer from British Car...

CM INDUSTRIES

Paris, France. 5 3/4% SWISS FRANC BONDS of 1977 due 1989 Swiss Francs 30'000'000.-

Terms of the issue, Coupon, Issue price, Mandatory redemption, Denomination, Taxes, Listing, Subscription period.

Banking partners: Banque Keyser Ullmann, Banque de l'Indochine, Banca Unione di Credito, Bank Messner & Cie AG, Banque Lazard & Kinche AG, Overland-Trust Banca, etc.

United Spring and Steel Group Limited. Results for the year ended 30th September 1976. Turnover 19,017, Pre-tax profit 633, Taxation 355, Extraordinary items 16, Earnings 278, Earnings per 10p share 2.85p, Dividends per share 1.3p.

HARRISONS MALAYSIAN ESTATES Limited. Share Capital Shares of 10p each. Authorised £16,750,000.00 Issued and to be issued fully paid £16,695,267.20

BARING BROTHERS & CO., LIMITED. 88 Leadenhall Street, London EC3A 3DT. Brokers to the Introduction: CAZENOVE & CO., 12 Tokenhouse Yard, London EC2R 7AN and The Stock Exchange

Let him know he's not alone. The Army Benevolent Fund. For soldiers, ex-soldiers and their families in distress.

CM INDUSTRIES (formerly Clin-Midy) Paris, France. 5 3/4% SWISS FRANC BONDS of 1977 due 1989 Swiss Francs 30'000'000.-

arning 176

مؤامرات

INTERNATIONAL FINANCIAL AND COMPANY NEWS

KSH hope for return to profits

By Michael Van Os
AMSTERDAM, Feb. 10. ROYAL SCHOLTEN HONIG (KSH), the Dutch starch and foodstuffs manufacturer, said in its annual report 1975-76, published here, that it could be making a profit again in the current financial year should the admittedly hesitant economic recovery continue. As reported in December, 1976, the company suffered a net loss of 1.18.13.0m. in the past year on sales of 1.18.569.8m.

Dividend increased as profits soar at BMW

BY NICHOLAS COLCHESTER
MUNICH, Feb. 9. WITH THE best of all worlds, BMW's profit for 1976 topped home deliveries of 135,000 up 12.8 per cent. The company's leading growth market was the U.S. where sales rose by about one-third to 26,000.



Eberhard von Kuenheim

The chairman gave an insight into BMW's strategy. The company will remain internationally competitive by emphasizing technological sophistication in its products; particularly in the application of electronics. Herr von Kuenheim still sees great opportunities here. BMW's spending on research and development is 4 per cent. of turnover which, the chairman claims, is high for the industry. Second, BMW will remain scrupulously modern in its production techniques, investing energetically in new capital equipment in both a buoyant and a sinking market. The 1976 capital investment of DM220m. was twice depreciation, and the figures will remain the same in 1977.

JAPANESE BOND MARKET Return of international interest

BY PAULINE CLARK
AN EARLY RETURN of foreign Government and other international interest in borrowing prospects on the Japanese bond market is expected as a result of indications this week of a new direction in the country's policy on domestic interest rates. A number of prospective foreign borrowers last month postponed their plans to take advantage of the Japanese Government's recent moves to open up the market to more overseas names. Following the Asian Development Bank's withdrawal from the queue early in January, Austria and Inter-American Development Bank also put off their borrowing plans (scheduled for March and April) because the cost was too high.

Creditbank, Andresens payment up

BY FAY GJESTER
OSLO, Feb. 10. TWO MORE leading Norwegian commercial banks have announced higher dividends and profits for 1976. Den Norske Creditbank, Norway's largest commercial bank, is paying 11 per cent. against 10 per cent. for 1975. Profits, after tax and depreciation, rose to Kr.85.8m. (€3.33m.) from Kr.70.6m. in 1975. As announced earlier, the board proposes to increase capital this year by Kr.130m. to Kr.520m. Total assets at end 1976 were Kr.1,013.4m., a year earlier, Kr.1,013.4m. Bank of Norway is paying a 10.5 per cent. dividend, against 10 per cent. for 1975. It has presented two versions of its accounts this year. One, adjusted for inflation, and based, to a certain extent, on the Sandilands Report and the work of Mr. Douglas Morphet, shows 1976 profit after tax and depreciation of only Kr.11.2m. while the "traditional" accounts show a profit for the year of Kr.20.5m. For 1975, a less profitable year (for Andresens, and one in which inflation was more marked, the inflation accounting system shows a profit of only Kr.2m. compared with Kr.14m. by traditional reckoning.

Kuwaiti interests in latest offer for Britain Group

BY GILES MERRITT
DUBLIN, Feb. 10. BRITAIN GROUP, the leading Irish motor distributors who until two years ago held the franchise for British Leyland cars, and currently assemble Nissan's Datsun models, is considering a take-over proposal from Kuwaiti interests. The Irish motor concern's shop steward's group has written to the management urging acceptance of the offer made by the Kuwait-based FMG Group and the Al-Babtain Company, which hold franchises in the Middle East for several Japanese motor-car ranges. The prospective Kuwaiti buyers, whose offer for the financially ailing Britain Group has not been disclosed, reportedly plan to export more than 1,000 Irish-assembled Datsun cars to the Middle East this year.

Robeco dividend unchanged

BY MICHAEL VAN OS
AMSTERDAM, Feb. 10. ROBECO, the Dutch-based investment complex, to-day decided to propose an unchanged final distribution of 31 per cent. in stock from the share premium reserve for the year 1976. Shareholders preferring a cash payment are offered an unchanged final dividend in cash of 1.52.00 from the general reserve. If cash is taken, the total payment for 1976, including the interim of 1.52.74.0 made payable in October, 1976, amounts to 1.52.00. The Robeco statement put out in Rotterdam to-day ahead of the annual report, to be published March 16, followed to-day's meeting of the company's Supervisory Board and Managing Board.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for Country, Currency, Value of Bill, and various bond prices for different regions like Africa, Asia, Europe, etc.

BANK OF AMERICA World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, February 9, 1977. These exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (e.g., the rate quoted is the commercial rate unless otherwise indicated, all currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked. All rates quoted are for indicative purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Table with columns for Country, Currency, Value of Bill, and various exchange rates for different countries like Argentina, Australia, Belgium, etc.

Creusot steel sector doubt

PARIS, Feb. 10. THE OUTLOOK for Creusot-Lore in 1977 is very uncertain, with results in the steel sector likely to remain mediocre unless steel business recovers, the company said, reports Reuter.

TOKYO SANYO ELECTRIC CO., LTD.

Advertisement for Sanyo Tokyo Sanyo Electric Co., Ltd. featuring 14,000,000 Shares of Common Stock, represented by Continental Depository Receipts. Includes logos for Daiwa Europe N.V., J. Henry Schroder Wagg & Co. Limited, Credit Lyonnais, Robert Fleming & Co. Limited, and various international banks.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Saab earnings decline by 22%

BY WILLIAM DULLFORCE STOCKHOLM, Feb. 10. SAAB-SCANIA, the Swedish commercial vehicle, car and aircraft manufacturers, experienced a 22 per cent fall in earnings last year in spite of a 21 per cent growth in sales...

EUROMARKETS

\$1bn. borrowing by Sweden

BY TONY HAWKINS

PRELIMINARY agreement has been reached between Sweden and 13 international banks for a \$1bn. seven-year Eurocredit for the Kingdom of Sweden. The Riksbank (Swedish Central Bank) said in a statement last night that the loan will carry a spread over Libor (London interbank offered rate) of 1 per cent for the first four years...

SOUTH AFRICAN COMPANIES

Doubts over terms of PPC-Barlow Northern Lime plan

BY RICHARD ROLFE

JOHANNESBURG, Feb. 10.

THE PROPOSED deal by which was R6m. But now, for the purposes of the PPC deal, Barlow's has revealed Northern Lime's net assets at R23m. and owned subsidiary, Northern Lime, has attracted mixed notices so far in Johannesburg...

Kuwait go-ahead for BKK

BAHRAIN, Feb. 10. THE BANK of Kuwait and Bahrain, 50 per cent owned by Bahraini interests and 50 per cent by Kuwaiti institutions, has finally received permission to open a branch in Kuwait.

Decline in Arbed losses

BY DAVID BUCHAN

ARBED, THE big Luxembourg steel maker, reduced its losses for the year ending December 31, 1976, to slightly more than half the B.Frs.36m. (£47.6m.) loss it recorded in 1975. But company officials gave a warning that the final results to be announced in Mid-March would not necessarily mean a dividend for 1976 higher than the 1975 level...

LUXEMBOURG, Feb. 10.

Enrofer has been slow to take shape. The organisation, formed last December and likely to make Luxembourg its permanent base, is designed to give the steel producers a bigger voice with the commission. But

Belgian bond speculation

BY PAULINE CLARK

BELGIAN DOMESTIC bond market operators have been speculating on the likelihood of two new state-backed loans scheduled to be launched today carrying an issue price above par. Originally the two loans, raising B.Frs.16.5bn. for Ste. Nationale de Logement and 3.Frs.5bn. for Ste. Nationale de Credit a l'Industrie, were expected to be priced at par. But strong demand by investors recently would, it is believed, make it possible for the issuing authorities to reduce the yield at the last minute.

AMERICAN NEWS

Publishing merger talks

BY JAY PALMER

NEW YORK, Feb. 10.

THE TIMES MIRROR group, the large U.S. West Coast based publishing company, disclosed this morning that it is now holding talks which could result in an eventual making an offer to buy Random House, the book publishing subsidiary of RCA. A spokesman for the Times Mirror group this morning refused to discuss the stage of the negotiations. However, the general feeling here in New York's publishing industry is that the announcement would not have been made unless both the West Coast company and RCA were already in broad agreement over terms.

Advertisement for Kingdom of Norway 7 3/4% Notes Due February 1, 1982. Includes the Norwegian coat of arms and a list of 20 international financial institutions such as Merrill Lynch, Salomon Brothers, and Citibank.

Table with financial data for TETRON and COLGATE-PALMOLIVE. Columns include 1976-77 and 1975-76 for Revenue, Profits, and Per Share.

Advertisement for ORION Bank Limited. Features a large ORION logo and text stating '1976... significant growth'. Includes a table of consolidated pre-tax profits and total assets for 1974, 1975, and 1976.

Entertainment Guide

OPERAS & BALLETS
ENGLISH NATIONAL OPERA
ROYAL OPERA HOUSE

THEATRES
REGENCY, 225 2707, Evenings 8.35
OVER 1000 PERFORMANCES

THEATRES
DELPHI THEATRE, 01-636 2811
LONDON'S NIGHT OUT
SPECTACLE ENTERTAINING TUNES

THEATRES
HILARIOUS, 01-226 8765, Evns 8.00
CAMBRIDGE, 01-226 8765, Evns 8.00

THEATRES
JERRY LANE, 01-538 8135, Evenings 8.00
A RARE & JOYOUS
AFTERMIDNIGHT SUMMER

THEATRES
BARRICK THEATRE, 01-836 4601
THE GREAT BRITISH
NOW IN 2nd "OUTRAGED" YEAR

THEATRES
HAYMARKET, 01-538 8135, Evenings 8.00
A RARE & JOYOUS
AFTERMIDNIGHT SUMMER

THEATRES
HAYMARKET, 01-538 8135, Evenings 8.00
A RARE & JOYOUS
AFTERMIDNIGHT SUMMER

THEATRES
HAYMARKET, 01-538 8135, Evenings 8.00
A RARE & JOYOUS
AFTERMIDNIGHT SUMMER

INTERNATIONAL APPOINTMENTS

An International Computer Group requires a
MARKETING MANAGER
for Europe
A rapidly growing International Computer Group has a need for a Senior Executive

PROPERTY MANAGER
HONG KONG
£8,000 PER ANNUM
plus company-provided apartment
To join a well-established and expanding public company in one of the world's

EXECUTIVE POSITIONS
WORLDWIDE
EXECUTIVE EMPLOYMENT BULLETIN "TECHNEX"
A McGraw-Hill weekly stream bulletin for engineering and

LEGAL NOTICES
IN THE HIGH COURT OF JUSTICE
Chancery Division Companies Court, in the Matter of ROSCAR STEEL, SCRAP

Raising Manager
A major vertical textile organisation in South Africa specialising
in branded household textiles requires the services of a

COMPANY NOTICES
OLYMPUS OPTICAL COMPANY LTD.
(OLYMPUS KOGAKU KOSHO KABUSHIKI KAISHA)
S. G. WARBURG & CO. LTD., a Depository, announces that a dividend

SOCIETE NATIONALE DES CHEMINS
DE FER FRANCAIS
1975/1976/1981 94%
LOAN OF US\$40,000,000
The redemption on 15th March, 1977, for which a sum of

ART GALLERIES
AGNEW GALLERIES, 43, Old Bond St.
WATERCOLOURS EXHIBITION, UNTIL 18
FEBRUARY

CLUBS
EVE, 189, Regent Street, 724 0957, A 19
club with a bar and a lounge

PRINTING
Litho printing company in the Midlands, very well equipped in most types
of work, including 100% DTP, including

APPOINTMENTS

Group Audit and
Special Investigations
A HEADQUARTERS audit function is now to be set up under the Finance
Director, with appropriate reporting responsibilities to the Chairman and

Commercial Development
of Technical Innovation
REORGANISATION creates this new vacancy in a British based process
group with extensive overseas activities and a turnover approaching

INTERNATIONAL BOND & SHARE DEALER
Excellent opportunity exists with active and compact
London stockbrokers for experienced international bond

APPOINTMENTS WANTED
CHAIRMAN AND MANAGING DIRECTOR
of English and Foreign Companies taking early retirement

ENERGY SYSTEMS
OR RELATED PRODUCTS
A British manufacturing group of companies which markets world-
wide, is seeking an acquisition or interest in the field of Energy

Democratic and Popular Republic of Algeria
MINISTRY FOR INDUSTRY AND ENERGY
Société Nationale de Semouleries, Meuneries Fabriques de Pâtes Alimentaires et Couscouserie

Harnessing the energy of low-grade coal

AFTER YEARS of talk about the wonders of a new way of burning coal, largely pioneered in Britain and claimed to be tolerant of the very poor quality and the most sulphurous coals, 1977 finds Britain part of two ambitious international projects for bringing a new technology of the burning coal on a fluidised-bed to the market. But why two? And why these projects? Finally launch a technology which the Central Electricity Generating Board, after a brief flirtation in the early 1960s, concluded had no place in large-scale electricity generation in Britain?

The sponsors of the project, for which two major contracts are announced today, aim to build a large steam-raising experiment at the National Coal Board's Grimethorpe Colliery near Barnsley. The £17m project, originally proposed in 1969, has been planned under the aegis of the International Energy Agency and is being funded by Britain, the U.S. and West Germany. The NCB is master-minding the scheme.

The second fluidised-bed project, announced last month, involves manufacturers from Britain and Sweden working with a U.S. electrical utility to try to develop a new kind of power plant in the U.S. The idea is to marry a big fluidised-bed combustor with a gas turbine to make a 64MW generating unit. It bears more than a passing resemblance to the scheme originally proposed by the NCB for Grimethorpe.

Proponents of each project are clearly a little uncomfortable that the two should now be proceeding in parallel. Those associated with the Grimethorpe facility, who have been obliged to trim their original ambitions, see the U.S. project as one that first needs the results of their experiments. Those associated with the U.S. project are inclined to see Grimethorpe as perhaps superfluous, overtaken by their more ambitious venture.

Enthusiastic

Fluidised-bed combustion is a way of burning coal—indeed, to quote one enthusiast, "anything with a calorific value"—in a heap of very hot particles, kept bubbling by blowing air through it. Any material undamaged by heat, such as sand, will serve as the bed. Substances can then be added which will "fix" noxious impurities such as sulphur and prevent them from becoming a corrosion or pollution problem.

By burying boiler tubes in the turbulent mass, steam can

be raised under highly efficient conditions of heat transfer. This in turn means a compact kind of boiler for a given heat output, keeping down the capital cost.

It all sounds too good to be true until one looks more closely at the problems of supplying a high-pressure steam boiler with almost 100 years of development behind it. Between 1880 and 1930 the thermal efficiency of steam-raising plants improved by a factor of ten. By around 1970, the CEGB decided that it was unlikely to order enough new coal-fired plants to justify what it saw as a ten-year development programme for an advanced-technology 660MW boiler.

This decision was probably right, notwithstanding the renaissance of U.K. coal. The domestic utilities are blessed with relatively good quality coal and have a well-established pollution control policy founded on the tall stack. The decision forced proponents of the fluidised-bed boiler to think much harder about prospective markets.

In 1972 the National Research Development Corporation brought together the NCB with two laboratories researching the system and British Petroleum, whose Sunbury research centre had been experimenting

with it as a way of burning sulphur-laden refinery residues. The three formed a tripartite company called Combustion Systems, headed by Mr. Brian Locke, in charge of special projects at NRDC.

Combustion Systems soon decided that Britain was not the most promising market for the new boiler. Rather, the markets would be the ones with much poorer quality fuels or tough air pollution legislation pending—on both. The U.S., which also was prepared to spend generously on new energy technology, was the most conspicuous market prospect.

In fact, the U.S. showed a flattering interest in the British experimental work, on which "well in excess of £10m. is now estimated to have been spent. Many kinds of U.S. coal have been burned successfully under research contracts placed with the NCB's laboratories at Leatherhead. But the U.S. has also gone ahead with large experiments independently. It has a bedrock of experience from more than 200 fluidised-bed combustion systems for roasting pyrites ores and another 100 in generating industrial wastes and sewage sludge.

Combustion Systems has not found that U.S. interest in Britain's research facilities and experience automatically leads

to licence agreements. Even though the U.S. Energy Research and Development Administration is paying for work in Britain, U.S. industry's attitude tends to be "if we wait, ERDA will publish—and we won't need to pay," says one U.K. executive. So far only one overseas boiler-maker has taken a Combustion Systems licence—and he wants to remain anonymous until he is ready for the market.

But one British company, Babcock and Wilcox, believes it has enough experience of a fairly primitive, unpressurised fluidised-bed boiler to offer a range of designs commercially. For the past 18 months such a boiler has been supplying steam to its Renfrew engineering works.

It has been run successfully on a variety of coals, including a very lean one from Ireland with 88 per cent ash. According to Mr. Tim Leader, managing director of Babcock power and process engineering group, the company is confident that it can offer industrial fluidised-bed boilers producing up to about 25 MW of steam at prices competitive with conventional boilers. His target is the manufacturer who wants to burn poor fuel without incurring problems in pollution control.

Technologically far more adventurous, however, is the study in which Babcock and Stal Turbin, part of Sweden's ASEA group, are working with a big southern U.S. utility, American Electric Power. The idea is to spend about £1m. this spring trying to decide whether the three could build an entirely new kind of powerplant for AEP. This largely coal-fired utility, under increasing pressure from Grimethorpe experiments, to be assembled over the next two years. Once seen more ambitiously as a powerful demonstration, albeit initially using the existing 20 MW steam turbine generators of the Grimethorpe power station, this project has been defined more clearly in the year since it was first announced. It is now to be simply a large test facility built around an experimental combustor—in effect, a big scale-up of a rig which has been running at the NCB's Leatherhead laboratories since 1968.

Even so, it will be an impressively large facility, built on the high, and pressurised to 10 bar (atmospheres), with that linked to the electricity grid. Its vital statistics are: a nominal temperature up to 850°C in a fluid-high-technology systems, arc bed 6 feet square and up to 26 feet deep and an operating variable electricity production of up to 85 MW of heat, raising steam which will produce up to 20 MW of power. The project team led by Mr. David Broadhead of the NCB plans to use by substituting the boilers of the power station, combustor and on its stake in Systems sees the venture as the Mr. Leslie Grainger, NCB member for science and long

staunch advocate of fluidised-bed combustion, argues persuasively that the results of the data from this test facility will be needed by anyone attempting the more ambitious venture of marrying the combustor with a gas turbine.

What are the chances of Grimethorpe moving steadily along this road, perhaps catching up with the U.S. project? It should prove more difficult than its backers expect? Unfortunately, the U.K. project is now fairly severely constrained for cash. At £17m., it has already cost 70 per cent more than the figure allocated by the three partners little more than a year ago. According to Mr. Grainger, part of the increase is explained by an inflation, partly by "elaboration of the technical specification," and partly by "a few nasty shocks" when the tenders came in.

The embarrassment caused by this sharp escalation in Grimethorpe's costs before construction has even begun has had the effect of focusing sights firmly upon meeting the targets laid down. The first target is to start commissioning and testing the facility by the end of 1977. But, Leslie Grainger still firmly believes that quite independently, they can do it. The utility is prepared to spend several tens of millions of pounds building a 64 MW demonstration plant. Mr. Leslie Grainger, NCB member for science and long

THE PORTUGUESE PREMIER IS DUE IN LONDON ON MONDAY

A fight to hold things together

BY DIANA SMITH, LISBON CORRESPONDENT

DR. MARIO SOARES, Prime Minister of Portugal, flies to London on Monday to begin a tour of Common Market capitals. He has one aim—to muster support for his dream of taking Portugal into Europe as a full partner.

If the dream fails Portugal's economic future will be even bleaker than its economic present. The muted, heavily qualified "perhaps" granted by EEC Foreign Ministers this week to Portugal's aspirations reflects European doubts that this country can shore up its crippled structures in time to become a viable partner meeting EEC standards, free circulation of money, merchandise, manpower, and competition.

Dr. Soares is a fighter. Now an energetic 53, he led non-Communist opposition to the regime overthrow in 1974, suffering imprisonment and exile for his beliefs. He surrounds himself with none of the mystique or minions of Government: he detests ostentatious security arrangements and has never shunned physical risk.

He is also an in-fighter, wheedling, blustering, even threatening backstage to gain a point or a victory. He does not like criticism, and has been shown at his most vulnerable and least judicious when political opponents or dissidents from his own party question his authority.

Dr. Soares spoke this week to the Financial Times of his hopes and problems, making it clear that he stakes his and Portugal's future on getting the country into Europe. He knows he can rely on moral support from Britain, Portugal's oldest ally, which is avowedly sympathetic to a European bid. He realises moral support is all he can expect, in view of Britain's own financial woes.

Recalling that he and his party led the resistance of the Portuguese people to a Communist takeover in 1973, Dr. Soares said "Portugal almost became Europe's worst problem since World War II. What would have become of the balance of power if the Communists had taken over here? We're a European nation after all—the EEC can't just be a club of rich countries."



Dr. Mario Soares

As for often-voiced doubts about Portugal's ability to hear through the IMF is a key factor, Dr. Soares hopes that Portugal will soon receive a firm political decision to let it enter Europe: with that moral boost, the nation can then take on the difficult period of transition, which, he recognises, could last ten years or more.

Aid from Europe or elsewhere may help to buy time. "A perhaps" — no matter how qualified — may help Government and business morale, but immediate problems could shatter the European dream

from the outset.

The foreign debt now totals nearly £2bn. Portugal must import £550m. worth of food this year. Inflation is rampant, at nearly 30 per cent, public discontent is growing and preparing the ground for extremist manipulation of disgruntled wage-earners and their families.

Some 85 per cent of Portuguese labour adheres to the Communist-controlled General Confederation of Portuguese Workers, which has bitterly complained about the soaring cost of living.

A wave of strikes of Communist backed unions (fishermen, textile workers and a threatened stoppage next week of civil servants) is disrupting the economy.

The communications gap between Government and workers, however, is widening, not least because real wages rose by only 11 per cent, while prices in Lisbon rose by 26 per cent last year. The extreme Right is turning aggressive—"dropping the mask and using tactics that would have been unheard of two years ago," as Dr. Soares puts it. The Prime Minister admitted that if inflation spiralled, the Government could not control prices, if disenchantment of housewives were to swell, the threat of a coup from the extreme Right or indeed extreme Left would be very real.

As for the Communist Party, Dr. Soares (who has favoured

discreet, cautious contacts with other European Communists) implied that it was out on a limb as far as Europe was concerned, bent on a course which French, Spanish and Italian Communist parties had discarded.

Dr. Soares was dismissive of recent hints that his Government could be effectively replaced by a strong presidential regime of a "government of the competent" favoured by his nearest rivals the Social Democrat PSD/PPD, some of whose members hint that the country could dispense with Parliament.

The Prime Minister is performing a balancing act to keep his minority Government in power. That demands arduous negotiation to ensure that Socialists are not voted down in the Assembly, where they have 105 of the 263 seats (with 71 for the PSD/PPD, 41 for the Christian-Democrat CDS and 40 for the Communists) thus incurring a constitutional crisis. The need to survive produces strange alliances—like the current one with the Christian Democrats, the Socialists' only voting partners now that the PSD/PPD is in active opposition.

No one is sure whether Mario Soares' energy and courage can compensate for Portugal's weaknesses, or persuade doubting EEC governments that he can make Portugal healthy enough to join the European Community.

THE FRENCH NORTH BEFORE THE LOCAL POLLS

Tensions on the left

BY JOHN ARDAGH

NEW STYLE "Liberal reds" begin at Calais. At the maniric with its giant bell, suitably pinky-red, the young Communist mayor, M. Jacques Barthe—no admiral and bourgeois—is a plausible exponent of Communism with a smile.

He was seen to be quoted "Unemployment here is nearly 8 per cent. Our lace firms had 10,000 workers dismissed ago today, there are 4,800. And the new chemical factories, British and others, do not fill the gap. So, I am a realist: I want lots more private industry in Calais, quickly—and please put that in your capitalist paper."

Then he said, turning to the municipal elections on March 13: "Our headache round here is the Socialists. They are cheating—disobeying the national pact for joint lists of candidates in many local communes they are demanding far more than their shares of names, and we say 'no.' So on the first round there will not be joint lists. This feuding damages the image of the Left."

In the Nord-Pas-de-Calais region with its population of 3.9m., Socialists and Communists, are not taking kindly to the alliance imposed on them from Paris. But they can almost afford the luxury of their disarray, for they already rule the roost in the area and are set to make further progress—such as the voters' disenchantment with the Government.

That is one irony. Another is that the influx of modern industry (cars, chemicals, electronics, etc.) which for some years has been arriving to take over from the declining sectors (coal-mining, textiles) is now fast drying up, and not only because of world economic factors. Investors, as elsewhere in France, are secured by the Left and waiting for the outcome of the

general election a year ahead. So, across this flat and dreary winter landscape, from the coal-pits of Bethune to the slums of Roubaix where the looms are falling silent, and on to Valenciennes where some steel furnaces are closing, the swell of popular excitement at the prospect of a Government of the Left is coupled with sharp economic anxiety.

The man at the centre of these contradictions is M. Pierre Mauroy, 48, likeable and liberal mayor of Lille, number two in the Socialist Party, president of the regional council, and much the most powerful figure in these parts. "As a Lille business man said: 'It's absurd of Mauroy—and I tell him so—to denounce capitalism in the name of the Left, and then to turn round and complain that so little new private industry is coming to the rescue of this struggling region. He can't have it both ways.'"

Jovial

But for the time being he is trying to. The bury, jovial ex-Communist was, unknown nationally before he became deputy-maire in 1973. Since then, thanks to his energy, practicality, ability to draw the best out of people, and loyalty to M. Francois Mitterrand, the party leader, he has shown, it is rumoured, more than a little to decide after a victory in 1978 to "hold himself in reserve for the Presidency." Inco M. Mauroy might soon be Prime Minister; or even President in 1981 if M. Mitterrand, then 63, were to stand down.

There are those who feel that M. Mauroy might not have the stature for this. But at least in local affairs, his effect on the stolid Lille has been exhilarating. The Socialist regime under the

praiseworthy mayor was aloof and secretive. M. Mauroy breezily invited people of every opinion to join him to practical civics tasks. His door is ever open to journalists, no one escapes his hefty handshake and, as a Lille put it: "He runs this town as if managing some big holiday camp."

How can this reformist social-democrat and staunchly pro-European not only be outwardly loyal to the elite with the Communist Party (PCPF), but even have helped to create it? On the record he is bland reassurance: "I believe the PCF really is changing," he says. "Being out of power all these years has kept it so hermetic. Once it shares in the practical tasks of governing, it will open out further and become like us, you'll see. If not, if it goes back to its hard line, then we shall rethink."

In private he does not hide his misgivings, so it is said. But he has chosen his public path; and such is the tragedy of current French polarisation that this brings him into frontal opposition, politically, with the very people reformists of the centre—whose liberal views he largely shares and whose collaboration he courts in civic affairs.

M. Mauroy has taken ten Communists on to his campaign list at Lille, and from his position of strength can make them too the losing bet. The Socialist Party (PS) is traditionally the party of the Right, voted for by the bourgeoisie in order to keep out "the Reds."

So there are strange dramas to-day in many towns. At Cambrai, the old outgoing Socialist mayor is setting up a list in alliance with the Gaullist-Giannini "majority" of Paris politicians, because the Party has replaced him with a younger man ready to work with the PCF. At Haulbourg, near Lille, 33 Socialist councilors have worked happily for years in coalition with a Communist mayor; they have now left the party and are campaigning on a neutral ticket alongside the mayor, because a new lot of Socialists have formed a list with the PCF. The old lot are expected to win, for they are familiar and have served the town well.

The most one can say is that the Left may not advance here as much as in some other parts of France, next month. But it will not fall back, and it already holds nearly all larger towns, and 27 of the region's 37 parliamentary seats. The majority is one leader of repute, M. Norbert Segard, ebullient Minister of Posts, is expected to come a cropper in his bid to unseat M. Mauroy at Lille. For all its support, especially the Left, White collar workers are the main converts: workers vote Left already.

The business world, the patronal, alleges that the Government has recently lost interest in the Nord for electoral reasons. The feeling is also that the Government has decided to cut its losses in the Nord, and in direct available funds and effort towards areas such as the West and Massif Central where there are many marginal seats to defend. There may be some truth in this. The patronal also accuses the Left of frightening away new investment. For example, Pechiney's project for a chemicals plant at

Bruby has been hanging fire since 1974.

When I asked M. Mauroy for his comments, he said: "They are being silly; they should take the risk. We shall still encourage private industry here, and that is not incompatible with Socialism. All we want is for the State to take a stronger lead." He explained that his own solution for the region's economic ills would be the creation of a regional equivalent of something like Italy's IRI led consortium, including local and private interests.

Counter-plan

The State, he says, must exercise leadership, by implanting its own industries. Whether or not Mauroy's plan might have any future, at present no trouble is to the Left-controlled regional council, which he chairs, is often at odds with the Prefect on local projects. The Prefect wants forward a plan: the council tries to block it with a counter-plan.

This region offers such examples of how the French expansion since the war, fruit of a kind of consensus, is today being stifled by global recession than by the political stalemate. It is a trend that alarms many on the Left as well as many on the patronal. At Calais, M. Barthe said "Yes, I fear that our policies are making investors hesitate. But please, please explain to your readers that really we'd nationalise very little at first, oh yes, and we'd still welcome foreign investment."

"And besides," he added, straight-faced, "our victory in 1978 is no more than a mere possibility." The softest of sells. Almost as if he were hoping for

Notice of Redemption

Occidental Overseas Capital Corporation

9 1/4 % Guaranteed Sinking Fund Debentures Due March 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement (dated as of March 15, 1970) under which the abovesaid Debentures were issued, Citibank, N.Y., formerly First National City Bank, as Fiscal Agent, has drawn for redemption on March 15, 1977, through the operation of the sinking fund provided for in said Fiscal Agency Agreement, \$5,011,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000		PRINCIPAL AMOUNT OUTSTANDING	
1000	0000	10000	10000
1000	0001	10000	10000
1000	0002	10000	10000
1000	0003	10000	10000
1000	0004	10000	10000
1000	0005	10000	10000
1000	0006	10000	10000
1000	0007	10000	10000
1000	0008	10000	10000
1000	0009	10000	10000
1000	0010	10000	10000
1000	0011	10000	10000
1000	0012	10000	10000
1000	0013	10000	10000
1000	0014	10000	10000
1000	0015	10000	10000
1000	0016	10000	10000
1000	0017	10000	10000
1000	0018	10000	10000
1000	0019	10000	10000
1000	0020	10000	10000
1000	0021	10000	10000
1000	0022	10000	10000
1000	0023	10000	10000
1000	0024	10000	10000
1000	0025	10000	10000
1000	0026	10000	10000
1000	0027	10000	10000
1000	0028	10000	10000
1000	0029	10000	10000
1000	0030	10000	10000
1000	0031	10000	10000
1000	0032	10000	10000
1000	0033	10000	10000
1000	0034	10000	10000
1000	0035	10000	10000
1000	0036	10000	10000
1000	0037	10000	10000
1000	0038	10000	10000
1000	0039	10000	10000
1000	0040	10000	10000
1000	0041	10000	10000
1000	0042	10000	10000
1000	0043	10000	10000
1000	0044	10000	10000
1000	0045	10000	10000
1000	0046	10000	10000
1000	0047	10000	10000
1000	0048	10000	10000
1000	0049	10000	10000
1000	0050	10000	10000
1000	0051	10000	10000
1000	0052	10000	10000
1000	0053	10000	10000
1000	0054	10000	10000
1000	0055	10000	10000
1000	0056	10000	10000
1000	0057	10000	10000
1000	0058	10000	10000
1000	0059	10000	10000
1000	0060	10000	10000
1000	0061	10000	10000
1000	0062	10000	10000
1000	0063	10000	10000
1000	0064	10000	10000
1000	0065	10000	10000
1000	0066	10000	10000
1000	0067	10000	10000
1000	0068	10000	10000
1000	0069	10000	10000
1000	0070	10000	10000
1000	0071	10000	10000
1000	0072	10000	10000
1000	0073	10000	10000
1000	0074	10000	10000
1000	0075	10000	10000
1000	0076	10000	10000
1000	0077	10000	10000
1000	0078	10000	10000
1000	0079	10000	10000
1000	0080	10000	10000
1000	0081	10000	10000
1000	0082	10000	10000
1000	0083	10000	10000
1000	0084	10000	10000
1000	0085	10000	10000
1000	0086	10000	10000
1000	0087	10000	10000
1000	0088	10000	10000
1000	0089	10000	10000
1000	0090	10000	10000
1000	0091	10000	10000
1000	0092	10000	10000
1000	0093	10000	10000
1000	0094	10000	10000
1000	0095	10000	10000
1000	0096	10000	10000
1000	0097	10000	10000
1000	0098	10000	10000
1000	0099	10000	10000
1000	0100	10000	10000

The Debentures specified above are to be redeemed for the said sinking fund at the WCG Agency Services Department of the Fiscal Agent, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York, or subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, London, Paris, Frankfurt, Main or Citibank (Belgium) S.A., in Brussels or at the main offices of Algemeen Bank Nederland N.V. in Amsterdam, Algemeen Bank Brussel S.A. in Brussels, Commerciantk Aktiengesellschaft in Düsseldorf, Deutsche Aktiengesellschaft in Frankfurt/Main, Handelsbank Aktiengesellschaft in Hamburg, City of London and Bank in London, Banque de Paris et des Pays-Bas in Paris and Banque Internationale a Luxembourg in Luxembourg. The Company's paying agents, and will become due and payable, by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on March 15, 1977, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

The above mentioned Debentures are part of the \$5,000,000 March 15, 1977 Sinking Fund \$1,000,000 principal amount of said obligation having been delivered by the Company to the Fiscal Agent in accordance with the terms of the Fiscal Agency Agreement.

Coupons due March 15, 1977 should be detached and presented for payment in the usual manner.

For OCCIDENTAL OVERSEAS CAPITAL CORPORATION
 BY CITIBANK, N.A.
 Fiscal Agent
 February 11, 1977

WALL STREET OVERSEAS MARKET Early technical rally: index up 2.91 Pound easier

BY OUR WALL STREET CORRESPONDENT

AFTER the recent depression, Wall Street staged a small technical rally in the morning trading today, with interest concentrated on the Dow Jones Industrial Average...

Closing prices and market reports were not available for this edition.

at \$548. Turnover amounted to 12.82m. shares, down 30,000 on the 1 p.m. level yesterday.

Brokers say that some mild interest has followed Presidential Energy Adviser Schlesinger's statement that the immediate natural gas crisis is over.

Major problems for investors still exist, however, including concern over inflation and over the abate President Carter's tax package...

General Motors were ahead, \$1.11, after a loss of \$2 yesterday.

Storage Technology gained 10 to 111 on higher fourth-quarter earnings. By year fell \$1 to \$121 on lower fourth-quarter profits.

THE AMERICAN S.E. Market Value index was up 0.1 to 112.1 at 1 p.m., but trading volume was down 30,000 at 1.46m. shares.

Edgewise rose \$2 to \$131 on Trans Union proposal to acquire the 13 per cent of the company not already owned.

Prices made a narrowly mixed showing in light early trading on Canadian stock markets yesterday.

South African golds also firmed. AMSTERDAM—Easier for choice, with labour unrest helping to dampen sentiment.

PARIS—Firm in quiet trading; the abate President Carter's tax package will take after it is worked over in Congress.

active dealings, especially industrial, compare with \$1 per cent in December.

Banks, Portfolios, Metals, Electricals, Metals and Oils mostly improved, while Foods, Mechanicals, Helels and Chemicals were irregular, and Stores easier.

The international section was weak, apart from better Gold Mines.

BRUSSELS—Mostly better, with trading slow. Among domestic issues, Stocks were predominantly easier.

Non-Ferrous Metals, Vieille Montagne were off B.Fr.43 to B.Fr.3.003 and Asturienne B.Fr.1.010 to B.Fr.1.030.

U.S. stocks declined among mostly lower International, but ITT went up the trend with the rise of B.Fr.1.040.

SPAIN—Fairly heavy selling. Hooper weakened 7 cents to 37 cents on news that it had guaranteed some property companies to a sum of \$100m.

Starting closed slightly easier in quiet trading in the foreign exchange market yesterday.

VIENNA—Quietly steady with major changes only among leading industrial.

MILAN—Wednesday's rally proved short-lived and most issues closed in their trading.

Interventions by some State Banks and Holdings failed to reverse the trend as demand by private hands was absolutely lacking.

JOBANNESBURG—Gold shares were steady at higher levels in afternoon trading as dealers awaited further bullion indications from London.

HONG KONG—The market tended to drift lower in quiet trading on the interest following a fall on overseas markets overnight.

TOKYO—Prices fell further ground, especially export-oriented shares, but some local strength might dampen Japanese exports.

Electricals, Motors and Precision instruments led the decline, while some other "blue chips" and "populairs" were in line with the overnight fall on Wall Street.

AUSTRALIA—Generally lower on news of pressure on the sentiment partly affected by news of a small Sydney Brokerage House voluntarily folding operations.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

Overseas prices show steady improvement after withdrawal of \$100m from the market.

GOLD MARKET

Table with columns for Gold Bullion, Gold Bars, and various international gold prices.

FOREIGN EXCHANGES

Table showing exchange rates for various currencies including New York, Amsterdam, London, and others.

OTHER MARKETS

Table listing prices for various commodities such as wheat, sugar, and oil.

FORWARD RATES

Table showing forward exchange rates for different periods and currencies.

JOHANNESBURG MINES

Table listing prices for various gold and platinum mines in Johannesburg.

STOCKHOLM

Table showing stock prices for various companies in Stockholm.

OSLO

Table showing stock prices for various companies in Oslo.

VIENNA

Table showing stock prices for various companies in Vienna.

COPENHAGEN

Table showing stock prices for various companies in Copenhagen.

AMSTERDAM

Table showing stock prices for various companies in Amsterdam.

PARIS

Table showing stock prices for various companies in Paris.

Indices

NEW YORK—DOW JONES

Table showing Dow Jones index data for various dates and sectors.

STANDARDS AND POORS

Table showing Standard & Poor's index data for various dates and sectors.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various international stocks and their prices, including companies from Australia, Canada, Europe, and elsewhere.

NEW YORK, Feb. 10

Table showing stock prices for various companies in New York on Feb 10.

AMSTERDAM

Table showing stock prices for various companies in Amsterdam.

PARIS

Table showing stock prices for various companies in Paris.

BRUSSELS/LUXEMBOURG

Table showing stock prices for various companies in Brussels and Luxembourg.

MILAN

Table showing stock prices for various companies in Milan.

VIENNA

Table showing stock prices for various companies in Vienna.

COPENHAGEN

Table showing stock prices for various companies in Copenhagen.

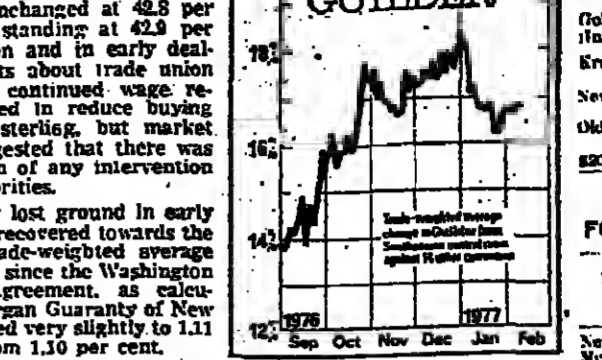
AMSTERDAM

Table showing stock prices for various companies in Amsterdam.

PARIS

Table showing stock prices for various companies in Paris.

GUILDER



SPECIAL DRAWING RIGHTS RATES

Table showing Special Drawing Rights (SDR) rates for various countries.

EXCHANGE CROSS-RATES

Table showing cross-rates between various major currencies.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits.

MILAN

Table showing stock prices for various companies in Milan.

AUSTRALIA

Table showing stock prices for various companies in Australia.

BRUSSELS/LUXEMBOURG

Table showing stock prices for various companies in Brussels and Luxembourg.

TOKYO

Table showing stock prices for various companies in Tokyo.

SWITZERLAND

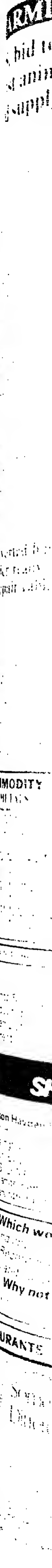
Table showing stock prices for various companies in Switzerland.

AMSTERDAM

Table showing stock prices for various companies in Amsterdam.

PARIS

Table showing stock prices for various companies in Paris.





FARMING AND RAW MATERIALS

U.S. bid to boost animal feed supply

A FURTHER move to encourage U.S. farmers to switch out of commercial grain production and into livestock feed production...

EEC farmers seek 7.4% average rise in prices

AN INCREASE of 7.4 per cent for 1977-78 EEC farm prices was essential to "avert a further decline in farm income...



Sir Henry Plumb

General decline in base metals

TIN VALUES eased on the London Metal Exchange yesterday in a general decline in base metal prices...

Converted bulk carrier ready to repair cable

THE 10,000-TON Stag Line bulk carrier, Photinia, sails from the Tyne at the end of next week...

Downturn in cocoa market

By Richard Mooney AFTER RECOVERING from an early fall in cocoa prices on the London terminal market...

GROWING CEREALS Hazards of trendy crop chemicals

IN SPITE of the depressing tone of my article last week, I started field operations on Monday by applying nitrogen...

Japan cotton cartel planned

TOKYO, Feb. 10. THE JAPAN Spinners Association said today that the Japanese Government approved for its plan to form a cartel...

BP backs spraying equipment contest

BRITISH PETROLEUM announced yesterday a competition aimed at encouraging the development of equipment for utilising the controlled droplet application and ultra-low volume methods of spraying herbicides...

COMMODITY MARKET REPORTS AND PRICES. BASE METALS. COPPER - Weakened on the London Metal Exchange following stop-loss selling...

RUBBER. UNCHANGED opened in the physical market. Little interest throughout the day...

PRICE CHANGES. Prices per ton unless otherwise stated. Metals, Grains, Oils, etc.

H Hentz & Co Limited has adopted the name of its parent SHEARSON

Shearson Hayden Stone Limited Gillett House 55 Basinghall Street London EC2V5ED England 01-606 3803

Which would you prefer? Happy and enthusiastic executives? Record breaking salesmen? or loyal and contented customers? Why not have all three?

Somewhere Different for Lunch? THE MANCHESTERIAN 41 Watford Way, Hendon, London NW4 3JH. Tel: 01-202 0191

LEAD. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

ZINC. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

SILVER. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

GRAINS. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

SOYABEAN MEAL. The market opened 50p up reflecting a steady Chicago close...

SUGAR. LONDON DAILY PRICE (raw sugar) 112.00 (1000) a ton for Feb-Mar.

COFFEE. On a relatively quiet day for Robusta coffee, prices were steady in evidence throughout the day...

WOOL FUTURES. LONDON - The market was slightly higher following overseas advice...

WHEAT. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

BARLEY. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

RYE. Official + or - Unofficial + or - Business Done. Feb 10, 1977.

FINANCIAL TIMES. Feb 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1977.

U.S. Markets. Coffee cocoa close higher. COPPER closed lower on local liquidation...

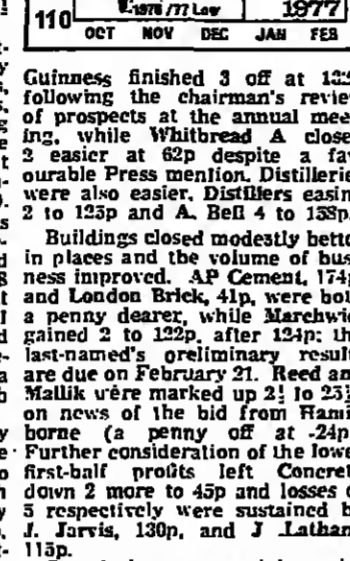
STOCK EXCHANGE REPORT

Gilts advance afresh on lower public sector borrowing
Firmier equities helped by new bids Index up 1.8 at 389.7

Account Dealing Dates
*First Declara- Last Account
Dealings Firmier Dealings Day

6.999 comparing with the previous
day's 6.904 and the week-ago level
of 6.916.

Shares up to a 1976-77 peak
of 401p, before easing back late in
the close unaltered on balance at 391p.



The Store's sector closed firmer
for choice in sympathy with the
trending of the market.

needy, edged forward 2 to 21p.
Fiscom gave up 2 to 21p, after
315p, and William Ransom lost a
little amount to 117 1/2p, the latter
following the inter-21 results.

Decca down again
A disappointing set of second-
quarter figures from the American
subsidiary Capital Industries...

Leading Engineering firms
attained their best levels late in the
trading...

Leslie made a fresh 1976-77 low
of 25 1/2p down 1p.
W. J. Frye provided an out-
standing feature in Foods, rising
2 1/2 to 25 1/2p in active trading...

Properties were beneficiaries of
the time-hand which developed in
some volume for certain stocks...

Interest in Motors and Distribu-
tors was selective. Swift-Fit a
major beneficiary of the recently
introduced changes to the MOT
test...

Oil prices were again the force
in the market, but it was only in the
later trading that any worthwhile
upward movement in share
prices was made.

Regional A slipped the turn to
53 1/2p, being affected still by the
small, but persistent, public sell-
ing...

North Sea enthusiasm flared
again following satisfaction with
the latest oil exploration and
production data.

FINANCIAL TIMES STOCK INDICES
Table showing various stock indices with columns for index values and percentage changes.

HIGHS AND LOWS
Table showing high and low values for various stocks and indices.

S.E. ACTIVITY
dian stake. P & O Deferred
closed without alteration at 125p,
after (31), while small buy-
ing restricted markets left
Atlantic Shipping 30 to the good
at 30p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of Actuaries Share Indices. Columns include Index No., Day's Change, and Index Value. Rows are categorized by equity groups and sub-sections.

Table of Fixed Interest. Columns include Index No., Yield, and Index Value. Rows list various fixed interest instruments like Consols, Government Stocks, etc.

ACTIVE STOCKS

Table of Active Stocks. Columns include Denomina-tion, Closing price, and other stock-related metrics.

NEW HIGHS AND LOWS FOR 1976/77

Table of New Highs and Lows for 1976/77. Columns include Stock Name, Price, and Date.

MONEY MARKET

Interest rates steady
Bank of England Minimum
Lending Rate 12 per cent.
(since February 3, 1977)

Table of Money Market rates. Columns include Term, Rate, and other financial data.

BASE LENDING RATES

Table of Base Lending Rates for various banks and institutions.

DEALING LAST FOR

Table of Dealing Last For information, including dates for various markets and sectors.

RISES AND FALLS

Table of Rises and Falls in various stock prices and indices.

Insurance Base Rates section with various insurance policies and rates listed.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and funds, including Abbey Unit Tr. Mgrs. Ltd., Discretionary Unit Fund Managers, and others, with columns for fund names, managers, and performance metrics.

FOOD PRICE MOVEMENTS

Table showing food price movements for various items like Bacon, Butter, Cheese, Eggs, Beef, Lamb, Mutton, and Pork, with columns for item names and price changes.

Ziebart Licensees Wanted

Text advertisement for Ziebart licensees, mentioning Ziebart (G.B.) Ltd. and the international group of companies.

City of London - Annual Review

Text advertisement for the City of London Annual Review, mentioning the City knights and the Committee.

World Money

Text advertisement for World Money, mentioning Paul Barreau and the IMF.

Report from Paris

Text advertisement for Report from Paris, mentioning Premier Raymond Barre and the economy.

THE BANKER

Text advertisement for THE BANKER, mentioning the February issue on sale now.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond companies, including Abbey Life Assurance Co. Ltd., City of Westminster Assur. Co. Ltd., and others.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including Keyesley Mgmt. Jersey Ltd., P.O. Box 26, St. Helier, Jersey, and others.

PROPERTY, LIFE ASSURANCE, INVESTMENT

Table listing property, life assurance, and investment funds, including Sun Alliance Fnd Mgmt. Ltd., Sun Alliance Fnd Mgmt. Ltd., and others.

PROPERTY, LIFE ASSURANCE, INVESTMENT

Table listing property, life assurance, and investment funds, including Sun Alliance Fnd Mgmt. Ltd., Sun Alliance Fnd Mgmt. Ltd., and others.

NOTES section with additional information and disclaimers.

FT SHARE INFORMATION SERVICE

INDUSTRIALS—Continued

Table of stock prices for various industrial companies, including columns for High, Low, Stock, Price, Div, and Yield.

ENGINEERING—Continued

Table of stock prices for engineering companies, including columns for High, Low, Stock, Price, Div, and Yield.

FOOD, GROCERIES, ETC.

Table of stock prices for food and grocery companies, including columns for High, Low, Stock, Price, Div, and Yield.

DRAPERY AND STORES—Continued

Table of stock prices for drapery and stores companies, including columns for High, Low, Stock, Price, Div, and Yield.

ENGINEERING, MACHINE TOOLS

Table of stock prices for engineering and machine tools companies, including columns for High, Low, Stock, Price, Div, and Yield.

BUILDING INDUSTRY—Continued

Table of stock prices for building industry companies, including columns for High, Low, Stock, Price, Div, and Yield.

CINEMAS, THEATRES AND TV

Table of stock prices for cinema, theatre, and TV companies, including columns for High, Low, Stock, Price, Div, and Yield.

CANADIANS

Table of stock prices for Canadian companies, including columns for High, Low, Stock, Price, Div, and Yield.

BANKS AND HIRE PURCHASE

Table of stock prices for banks and hire purchase companies, including columns for High, Low, Stock, Price, Div, and Yield.

BRITISH FUNDS

Table of stock prices for British funds, including columns for High, Low, Stock, Price, Div, and Yield.

INTERNATIONAL BANK

Table of stock prices for international banks, including columns for High, Low, Stock, Price, Div, and Yield.

Conversion factor 0.7602 (6.7533)

DRIVERS JONAS Chartered Surveyors London - Aberdeen - Milan

مكتبات الاميل

INDUSTRIALS—Continued

Table of industrial stocks including Lloyds, Light & Co., and various engineering firms. Columns include Stock, Price, and % Change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft related stocks such as Bentley, Napier, and various aircraft components.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies.

TRUSTS—Continued

Table of trust and finance stocks such as various investment trusts and banks.

NOMURA The Nomura Securities Co., Ltd. with contact information for London and other offices.

Commercial Vehicle

Table of commercial vehicle stocks including various truck and bus manufacturers.

Components

Table of component stocks for various industries.

Garages and Distributors

Table of garage and distributor stocks.

SHIPPING

Table of shipping stocks including various shipping lines and companies.

MINES—Continued

Table of mine stocks including various metal and coal mines.

AUSTRALIAN

Table of Australian stocks including various local companies.

TINNS

Table of tin stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks.

TEXTILES

Table of textile stocks including various fabric and clothing manufacturers.

OVERSEAS TRADERS

Table of overseas trader stocks.

COPPER

Table of copper stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

NOTES

Notes section providing commentary and analysis on market movements.

PROPERTY

Table of property stocks.

TORRACOS

Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trust, finance, and land stocks.

TEAS

Table of tea stocks.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks.

SRI LANKA

Table of Sri Lanka stocks.

AFRICA

Table of African stocks.

EASTERN RAND

Table of Eastern Rand stocks.

FAR WEST RAND

Table of Far West Rand stocks.

MINES

Table of mine stocks.

CENTRAL RAND

Table of Central Rand stocks.

WESTERN RAND

Table of Western Rand stocks.

RECENT ISSUES AND RIGHTS

Table of recent issues and rights.

REGIONAL MARKETS

Table of regional market data.

OPTIONS

Table of options data.

3-month Call rates

Table of 3-month call rates.

DIAMOND AND PLATINUM

Table of diamond and platinum prices.

INSURANCE

Table of insurance stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks.

FINANCE

Table of finance stocks.

O.F.S.

Table of O.F.S. stocks.

AH London and Crimethy
Tel: 01-577 0266
The Builders who've been
giving a comprehensive
service since 1740...
AH!
That's Ashby & Home
...the builders!

FINANCIAL TIMES

Friday February 11 1977

BELL'S
SCOTCH WHISKY
More ye 49

Ireland contests U.K. rights to oil areas in new licences

By RAY DAFTER IN LONDON AND GILES MERRITT IN DUBLIN

THE LATEST allocation of offshore oil exploration licences has caused a diplomatic row between the British and Irish Governments as well as caused some confusion among potential licensees.

In diplomatic exchanges, which look like developing into a major row, the Dublin Government is claiming that two blocks awarded to British Petroleum and the British National Oil Corporation lie in Irish concessory areas.

At the same time British Gas Corporation is waiting for the decision relating to its joint licence applications with Amoco. Sir Anthony Wedgwood Benn, Energy Secretary, refused to grant Amoco any licences because of the company's failure to agree outline state participation terms for existing licences.

As a result those applications made by British Gas which involved its traditional partner Amoco, were also rejected.

although other British Gas applications were successful.

Gas Corporation officials are said to be confused by the unprecedented situation although it is felt in some quarters of the industry that Amoro and the Energy Department might yet reconcile their differences which are not thought to be very great.

The row follows last week's dispute over Rockall. Here the Dublin authorities issued new designation orders claiming potential oil-bearing structures close to the Rockall Bank. According to officials in Dublin, Britain's decision to "ignore" Ireland's counter-designations risks bringing to a head the question of offshore areas now disputed by the two Governments.

The Irish Government hopes that continued pressure on Britain to accept an independent arbitration on the various disputed offshore areas will be effective. Ireland first pushed for arbitration in April last year, but officially Britain is still considering the matter.

British Petroleum is to drill a deep-water well in the most northerly licence area under a new agreement, announced yesterday, with the Enlay Holdings Group as part of a deal giving BP a 65 per cent stake in block 211/2, about 30 miles north of its Magnus Field, the company is to sink a deep test well. The block covers water depths to excess of 1,100 feet.

Entry is owned by Pesto Oils of Calgary (40 per cent); Pitcairn Incorporated (25 per cent); Scottish American Investment Trust (17.5 per cent); Gresham Trust (7.5 per cent); Westmore Petroleum and Enlay Holdings (5 per cent); and Joynton-Hirks (2.5 per cent).

Within BP, however, it is thought unlikely that any drilling in this territory will begin before next year. BP took the view that it had been assured by the Government that the U.K. licences had been awarded by competent licensing authority.

Within Whitehall it was being stressed that the blocks were designated in the U.K. sector in 1971, some three years before Ireland drew its claimed median line. It was in 1974 that Britain refused an Irish request that the contested area should not be offered for licensing.

Basically, the British Government argues that Ireland is unjust in ignoring the U.K. jurisdiction over the Continental Shelf surrounding the Outer Hebrides and the Shilly Isles.

Brewers attack price rise inquiry

By Elinor Goodman, Consumer Affairs Correspondent

THE BREWERS' SOCIETY last night attacked the Government's decision to refer beer to the Price Commission as a "needless, unwarranted, time-consuming exercise" which called into question the integrity of the Government's "so-called industrial strategy."

The reference would, the society said, raise doubts about the sincerity of the Government's claim that it wanted to see British industry prosper and make enough profits to stimulate investment.

Without making any direct threat, the society, whose members are planning to invest £200m a year for the next three years, warned that the industry's confidence would be "adversely affected by the decision."

The reference, which will cover prices and margins in the manufacture and distribution of beer through licensed outlets, marks a victory for Mr. Roy Hattersley, Secretary of Prices, over Mr. John Silkin, Minister of Agriculture.

Mr. Hattersley, still smarting from his recent dispute with the bakers, has wanted to refer beer to the commission for some months but Mr. Silkin, whose department is the sponsoring ministry for the brewing industry, has been strongly opposed to the move.

The Minister of Agriculture believed that to interfere in the short term on prices would be at odds with the Government's industrial strategy and could jeopardise any prospect of getting planning agreements with the brewers.

Concern

The dispute between the two Ministers is understood to have been resolved earlier this week at a meeting with other Ministers.

Though it is customary for the Price Commission to consider the industry's views before making a reference to the commission, this is believed to be the first time other Ministers have been involved.

Announcing the investigation yesterday, Mr. Hattersley stressed that the reference did not imply that prices were unjustified or that there was evidence of profiteering.

It was clear, however, that the level of public concern about beer prices was high and that any inquiry was necessary to establish the facts.

The brewing companies, many of whom recently put up prices by 1p a pint, feel the reference was primarily politically motivated.

The TUC has apparently supported Mr. Hattersley's case for investigating beer prices as the "whole issue of price policy is at a very delicate stage."

Thoughter

There is now some doubt on whether the Government will be able to unveil next week its proposal for replacing in the summer the present code with a more flexible system.

It is clear that if the Government were to announce specific details of its proposals now, it could precipitate an adverse reaction from the TUC, thus making negotiations over wages even more difficult.

As the Government's plans stand at the moment, the idea is to scrap the present price code and replace it with a system of special investigations into prices.

These would be more wide ranging than the present Price Commission enquiries and would be backed up by tougher powers to order price cuts.

THE LEX COLUMN

Brewers stand in the dock

Index rose 1.8 to 389.7



Despite the stock market's swing back in favour of domestic sectors, the brewers have underperformed badly since the turn of the year (by about 7 per cent relative to the All-Share Index) and yesterday's Price Commission reference is just what the sectors had been fringing.

Whatever the basis for alleging a high degree of "public concern" about beer prices, there is no prima facie case for picking on breweries as a particularly high margin sector. Total capital employed of the five major independents amounted to just over £2bn. at the beginning of their last full financial year, on which the pre-interest return amounted to 14 per cent. Their pre-tax margins on sales in their latest trading periods averaged 8.3 per cent, compared with 12 per cent, three years earlier.

Given these figures, it would be very hard to justify any kind of global freeze on prices—such as was "voluntarily" accepted by the TV rental companies after the similar inquiry completed last autumn. This implied that a return on capital of 19.4 per cent was excessive.

However it might be possible to single out particular parts of the business to attack. The booming lager market is an obvious instance: gross profits here have been estimated to be about 2½ times as great as on ordinary beer, although most of this goes to the retailer.

In any event there will be a cloud overhanging the sector for some time to come. TV rental may again be a precedent: the specialists' shares were noticeably weak pending publication of the report—and since then most of them have handsomely outperformed the averages. It seems that this kind of arbitrary action is to be a continuing threat for any business which operates in politically sensitive areas of the economy.

The rest of the year ought to look a lot brighter. The U.S. recovering from strikes, should move back into the black and Australia is picking up a little in the second half, when it normally makes most of its profits anyway. Full year profits for the group could rise from £15.6m. to something like £19m. pre-tax.

Since Australia is still at a low point in the cycle, that might make a prospective p/e of around 8 and a yield of over 6 per cent, look reasonably attractive. But it is hard to see Dalgety starting to produce a proper return on its capital employed of about £100m. in Australia, and the relevant question is not whether this business can climb back to the previous cyclical profits peak (about £5m.) but whether the capital can be deployed better elsewhere.

Fertilisers

Provided the recent 10 per cent rise in fertiliser prices can be made to stick, the fortunes of the hard-pressed U.K. fertiliser industry could start to recover. But not before time.

A number of small producers have been announcing losses over the last few months and yesterday's preliminary figures from Scottish Agricultural Industries, Scotland's biggest fertiliser producer, underline the poor trading conditions. Though sales have risen 45 per cent, in value terms since 1974, profit margins are almost a third lower than at £3.1m. and the dividend has not been increased this time.

At 67p the yield is significantly above average at 8.5 per cent, reflecting the cyclical record and the predominant U.K. orientation.

Weather

U.K. TO-DAY
CLOUDY with rain. Bright spells. Midlands, E. Cent. N. Eng'land, S. Wales
Rather cloudy. Occasional rain or sleet. Bright intervals. Normal. Max. 6C (43F).
N.W. Wales, N.W. N.E. England, Lake District. Isle of Man, N. Ireland
Cloudy, some rain or sleet. Snow on hills. Rath. Cold. Max. 5C (41F).
Belfast, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. F. Ilands, Argyll, Dull. Fair or sleet at times. Snow on hills. Cold. Max. 3-5C (37-41F).
Outlook: Rain or sleet dying out over England, Wales, N. Ireland. Bright spells, wintry shower over Scotland.

BUSINESS CENTRES

City	Y'day	Mid-day	Y'day	Mid-day
	°C	°F	°C	°F
Aberdeen	21	70	15	59
Athens	15	59	20	68
Bombay	27	81	28	82
Buenos Aires	17	63	19	66
Calcutta	26	79	27	81
Cairo	20	68	21	70
Hong Kong	26	79	27	81
London	10	50	11	52
Madras	27	81	28	82
Manila	27	81	28	82
Medan	27	81	28	82
Perth	11	52	12	54
Port of Spain	27	81	28	82
Rangoon	27	81	28	82
Singapore	27	81	28	82
Sydney	16	61	17	63
Tokyo	11	52	12	54
Wellington	11	52	12	54
Zurich	8	46	9	48

HOLIDAY RESORTS

City	Y'day	Mid-day	Y'day	Mid-day
	°C	°F	°C	°F
Algeria	21	70	15	59
Antwerp	10	50	11	52
Batavia	27	81	28	82
Bombay	27	81	28	82
Buenos Aires	17	63	19	66
Calcutta	26	79	27	81
Cairo	20	68	21	70
Hong Kong	26	79	27	81
London	10	50	11	52
Madras	27	81	28	82
Manila	27	81	28	82
Medan	27	81	28	82
Perth	11	52	12	54
Port of Spain	27	81	28	82
Rangoon	27	81	28	82
Singapore	27	81	28	82
Sydney	16	61	17	63
Tokyo	11	52	12	54
Wellington	11	52	12	54
Zurich	8	46	9	48

FINANCIAL EXECUTIVES OF OUTSTANDING ABILITY
Currently earning £7,000-£25,000 p.a.

Odgers and Co. are Management Consultants specialising in Executive Recruitment. We are extending our contacts with young executives of outstanding ability and ambition in the field of finance.

We would like to hear from people aged 26 to 45 who feel that in developing their careers over the next few years they should not rule out the possibility of a move to a bigger job in another company. We are interested particularly in those who are happy in their present positions and are doing well, but who nevertheless wish to keep in touch with the market so that if an outstanding opportunity comes along, they will be in a position to learn more about it.

As a first step, please write to Ian H.D. Odgers, Managing Director, giving a brief summary of your experience, qualifications, age and salary. Alternatively, write asking for more information about Odgers and Co.

Any approach will be treated in the very strictest confidence.

Odgers
MANAGEMENT CONSULTANTS
Odgers and Co. Ltd., Adelaide House, London Bridge, London EC4R 9DS. Telephone 01-626 1086

British Airways turns loss into profit

By Michael Denne, Aerospace Correspondent

BRITISH AIRWAYS earned a net profit of £31m. in the nine months to the end of December, an improvement of £35m. over the comparable period of 1976 when there was a net loss of £4m.

Announcing this yesterday, British Airways said the operating profit before interest, taxation and other items for the period amounted to £106m. on revenues of £926m. This compared with an operating profit of £33m. on revenues of £871m. in the first nine months of the preceding year.

The fall to the value of sterling contributed no less than £30m. to the operating profit, against which has to be set the increased cost of foreign borrowings.

At this stage, the airline is making no forecast of final results for the year ending March 31. It is pointing out cautiously, however, that the nine months' results reflect the seasonal pattern of airline operations, and include the most profitable part of the year—last summer's operations.

Reduced

The current three months are customarily the worst in any airline's year, and it is likely that the net profit of £31m. will be reduced to perhaps about £20m. for the year as a whole. In 1976-77, the airline had a net loss of £16m.

The airline's overall financial objective is to earn sufficient profit after interest and taxes to finance replacement of its assets, including its aircraft fleet, and to pay an "appropriate return" on its Public Dividend Capital.

Factories plan

A SCHEME for four factory units in Cardiff has been given the go-ahead by the Welsh Development Agency.

The units—each of 5,000 square feet—will be provided in advance of demand on a site at Haddfield Road.

The scheme will cost more than £20,000 and will start next week with completion due in September this year. The contractor is E. Turner and Sons, Cardiff.

Foot hints at new concession over devolution referendum

By RICHARD EVANS, LOBBY EDITOR

MINISTERS, showing signs of desperation over the future of the devolution legislation, yesterday dropped further hints of compromise in an effort to push through a guillotine resolution that would curtail debate on the Bills committee stage.

Mr. Michael Foot, the Minister in charge of devolution, hinted in the Commons that the Government might be prepared to consider Conservative demands that the promised referendum in Scotland and Wales be consultative rather than binding.

"We have certainly previously thought that a referendum should be mandatory, but if MPs feel it ought to be consultative in order to preserve the rights of the House this is a matter which the Government will have to take into account."

His statement came after Tory anger at the way the Government had introduced the referendum proposals into the Bill out of context.

Safety-net funds for U.K. if reserves below \$6.75 bn.

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE \$3bn. international safety-net to protect Britain against withdrawals of official sterling balances can in general be used only if the U.K. reserves are less than \$6.75bn. At the beginning of the month they were \$7.18bn.

This was disclosed yesterday by Mr. Denis Healey, the Chancellor of the Exchequer, in a Commons written answer setting out the main details of a safety-net which were finally agreed at a central bank governors' meeting in Basle earlier this week.

The U.K. will be entitled to draw on the facility for the full amount over the next 12 months and 75 per cent thereafter of any net fall in official sterling balances below £2.16bn., other than any decline resulting from sales of the new medium-term foreign currency bonds.

The £2.16bn. figure reflects the level of the official balances on December 8 and represents

a decline of £591m. since the end of last September, and a near halving from the total of £3.1bn. held at the beginning of 1976. The hope is that after this massive outflow it will now be possible to secure an orderly reduction of the less volatile balances.

If the criterion of the fall in official balances is fulfilled, then the U.K. will be able to use the facility at any time when the reserves are less than \$6.75bn., a figure apparently rather loosely related to the current level.

'Hot money'

However, in consultation with those involved in the safety-net agreement, drawings can in certain circumstances be made when the reserves are higher than this figure, in particular where higher reserves are the result of foreign currency borrowing by the public sector. This would include the recent £1.5bn. seven year Euromarket loan for the Government.

The aim is apparently to allow drawings when the rise in the reserves above the specified figure stems from medium-term borrowings to rebuild the reserves, and for balance of payments purposes but not when it is the result of "hot-money" inflows. If no drawing is made any month in which there has been a fall in official balances but the reserves are above the specified level, the entitlement can be carried forward into the next month.

The insertion of the additional reserves criterion followed the \$3.07bn. rise in the U.K.'s reserves to \$7.18bn. during January and reflected a general desire to avoid any rebuilding of the balances again in the future.

Any drawings on the facility will be in U.S. dollars and the interest payable will be closely related to market rates, probably floating Eurodollar rates.

Smith 'seeking settlement externally and internally'

By OUR FOREIGN STAFF

MR. IAN SMITH, the Rhodesian Prime Minister, said yesterday that he intended to work "externally and internally" for a Rhodesian settlement, and would welcome assistance from the British and U.S. Governments.

He was speaking to journalists on his return to Salisbury after talks with Mr. John Vorster, the South African Prime Minister. Mr. Smith appeared to take a more flexible line on outside involvement than in recent weeks, and seemed keen to keep his political options open.

In Washington, Mr. Cyrus Vance, the U.S. Secretary of State, threw the full weight of the Carter Administration behind the moves to repeal the Byrd Amendment, which permits American companies to import Rhodesian chrome despite United Nations sanctions.

Mr. Vance reiterated that Mr. Smith must clearly understand that "under no circumstances" could he count on American help in any effort to block majority rule in Rhodesia.

The key to peace lay in Mr. Smith's hands, he said, and Rhodesian negotiations had

repeal of the Byrd amendment would do far more to persuade him to use that key.

Mr. Smith appeared reluctant to commit himself irrevocably to an internal settlement, possibly because of America's forceful opposition to such a plan. The Carter Administration's attitude may be forcing him to reconsider his tactics, perhaps with the advice of Mr. Vorster, and leave the way clear for further efforts by the Western Powers.

He put the prospects for British and American participation at more than an average "chance." But he again ruled out negotiations with the Patriotic Front, the nationalist alliance with guerrilla support, saying: "I don't believe there is any future talking to people such as those."

Mr. Vance told the Senate that "the world faces an explosive situation in southern Africa." He noted that the South African and Rhodesian Feature, Page 16

the Government. The aim is apparently to allow drawings when the rise in the reserves above the specified figure stems from medium-term borrowings to rebuild the reserves, and for balance of payments purposes but not when it is the result of "hot-money" inflows. If no drawing is made any month in which there has been a fall in official balances but the reserves are above the specified level, the entitlement can be carried forward into the next month.

The insertion of the additional reserves criterion followed the \$3.07bn. rise in the U.K.'s reserves to \$7.18bn. during January and reflected a general desire to avoid any rebuilding of the balances again in the future.

Any drawings on the facility will be in U.S. dollars and the interest payable will be closely related to market rates, probably floating Eurodollar rates.

Continued from Page 1

alternated" but added that the U.S. was continuing its efforts to "nurture" them.

The Secretary of State said the Carter Administration attached the highest importance to repeal of the Byrd amendment, adding that the U.S. steel industry now recognises that it could afford to do without Rhodesian chrome.

Mr. Vance noted that President Julius Nyerere of Tanzania had told Mr. Andrew Young, U.S. Ambassador to the UN, who is touring Africa, that repeat of the amendment was critical. "By repealing the amendment we would remove this symbol of ambivalence in American policy towards Rhodesian and toward international law," said Mr. Vance.

The Rhodesian Security Forces announced yesterday that 47 more people had died in the hush war in the last two days, including 18 guerrillas. The others were eight blacks assisting insurgents, five curfew-breakers, nine tribesmen killed by guerrillas and an African woman killed by a landmine.

South Africa and Rhodesia Feature, Page 16

Property developer

Industries. This group, in a series of complex deals involving Slater Walker Securities between 1972 and 1973, had acquired a property company, ADH, and a 36 per cent holding in a larger coe Town and Commercial Properties. Cambourne Securities acquired control in late 1973.

The liquidation of Charles Spreckley, and subsequently Slater Walker Securities, in heavy losses. Spreckley had loans from SWS of £6.6m. secured against its holding in Town and Commercial.

Cambourne Securities also borrowed substantially from Slater Walker, both in purchasing the initial stake from SWS and in later making a bid for additional shares. The auditors' report on Slater Walker, commissioned by the new Board from Mr. Jim Slater's departure and published last September, noted "a small number of very large loans" from the banking subsidiary.

The four largest of these were stated as between £5m. and £15m. and it is thought Cambourne accounted for one of the larger loans.

Continued from Page 1

Likely Budget date

ing the burden at both the lower and higher ends of the scale, and it is thought Cambourne accounted for one of the larger loans.

There is now some doubt on whether the Government will be able to unveil next week its proposal for replacing in the summer the present code with a more flexible system.

It is clear that if the Government were to announce specific details of its proposals now, it could precipitate an adverse reaction from the TUC, thus making negotiations over wages even more difficult.

As the Government's plans stand at the moment, the idea is to scrap the present price code and replace it with a system of special investigations into prices.

These would be more wide ranging than the present Price Commission enquiries and would be backed up by tougher powers to order price cuts.

Among the ideas known to be under consideration is the reintroduction of a rate below the main rate of income tax. This was abolished during Mr. Roy Jenkins's period as Chancellor.